Austria	Sch 15	Indonesia	Rp 2500	Portugal	Esc 85
Bahrain	Din 0.650	Italy	L 1200	S. Arabia	Rls 6.00
Belgium	BFr 35	Japan	Y350	Singapore	S$ 4.10
Canada	C$2.50	Jordan	Fils 500	Spain	Pta 95
Cyprus	Mils 600	Kuwait	Fils 500	Sri Lanka	Rup 30
Denmark	Dkr 7.00	Lebanon	L£ 6.00	Sweden	Skr 8.50
Egypt	E£1.00	Luxembourg	LFr 35	Switzerland	SwFr 2
Finland	Fmk 5.50	Malaysia	Rm 4.75	Taiwan	NT $35
France	FFr 5.50	Mexico	Pes 300	Tunisia	Din 0.600
Germany	DM 2.00	Morocco	Dh 6.00	Turkey	L 150
Greece	Dr 60	Netherlands	Fl 2.25	U.A.E.	Dh 6.50
Hong Kong	HK$ 12	Norway	Nkr 6.00	U.S.A.	$1.50
India	Rup 15	Philippines	Pes. 20		

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FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 29,104 — Friday August 26 1983 — D 8523 B

The Polish Church and the spirit of Solidarity, Page 2

NEWS SUMMARY

GENERAL

Sprinkel to attend Caracas debt talks

The U.S. Administration dropped its opposition to next month's Caracas meeting of Latin American debtor countries after assurances that its purpose was not to discuss forming a "debtors' club."

Dr Beryl Sprinkel, U.S. undersecretary for monetary affairs, will attend the five-day conference. Page 4

Pilots questioned

Greek police questioned two West German pilots about Soviet-made arms found on a Liberian jetliner they were flying to Egypt.

Berlin blast

West Berlin: An explosion ripped through a building housing the French Consulate-General killing one and injuring 23.

Plea for parents

Bavarian leader Herr Franz Josef Strauss called for "more young fathers and mothers" and a new generation to "boost the biological resources of our people." Page 2

Upper Volta move

Upper Volta leader Captain Thomas Sankara named a mainly civilian Cabinet three weeks after seizing power.

Petrol price truce

French supermarket chain Edouard Leclerc promised to halt illegal petrol discounts pending talks to resolve France's petrol price war. Page 10

Dissident barred

Soviet dissident Georgy Vladimov, who emigrated to the West in May, was stripped of his citizenship and barred from returning.

Hurricane aid

Texas officials estimate they need $1.2bn government aid following the Hurricane Alicia disaster which killed at least 20.

Taiwan deaths probe

Taiwanese authorities began an inquiry into the deaths of 27 girls killed in Feng Yuan, south of Taipei, when their schoolroom ceiling collapsed.

Jumbo success

Basle Zoo in Switzerland said it had achieved the world's first artificial insemination of an elephant.

Italy expels baby

Italian authorities expelled a two-month old Venezuelan girl involved in a legal wrangle over her adoption.

Three seek asylum

Austrian police said three Romanians asked for "temporary asylum" after landing in northern Graz aboard a crop-dusting aircraft.

Aquino mourned

Thousands mourned the assassinated Philippines opposition leader Benigno Aquino at a requiem mass in Manila.

Briefly...

China retrieved an experimental satellite put into space a week ago.

Yugoslav worker in Serbia was jailed for 3½ years for "hostile propaganda."

Chinese hosiery factory introduced scented stockings.

The Financial Times will not be published on Monday, August 29, because of a public holiday in the UK.

BUSINESS

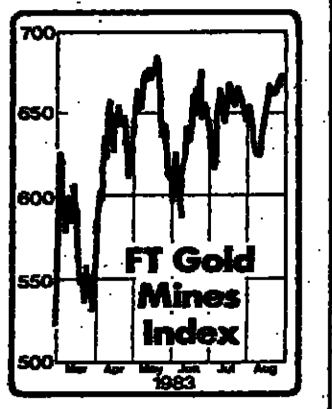
German trade surplus shrinks

● WEST GERMAN trade surplus fell to DM 2.2bn ($834m) last month against DM 3.8bn in July 1982, but the balance of payments current account for the first seven months of the year stood DM 3.1bn in surplus – a turnround from a DM 600m deficit for the same period last year.

The Bundesbank council met yesterday but left interest rates and credit policies unchanged. Page 2

● WALL STREET: Dow Jones index closed up 0.81 at 1185.06. Page 17. Full share listings, Pages 18–20

● TOKYO: Nikkei Dow index lost 4.27 points to 9,143.87. Stock Exchange index was 677.69 (678.85). Page 17; leading prices, other exchanges, Page 20.



● LONDON: FT Industrial Ordinary index rose 0.8 to close at 717.4. Gold Mines index rose 6.4 to 672.6. Report, Page 21; FT share information service, Pages 22–23.

● DOLLAR fell in London to DM 2.6355 (DM 2.64), FFr 7.941 (FFr 7.95), SwFr 2.1425 (SwFr 2.15) and Y243 (Y243.15). Its trade-weighted index was 127.6 (127.5). In New York, it closed at DM 2.6580; FFr 7.9950; SwFr 2.1610; and Y243.95. Page 27

● STERLING fell 1.1 cents in London to $1.508, and to DM 3.975 (DM 4.01), FFr 11.975 (FFr 12.0775), SwFr 3.23 (SwFr 3.2675) and Y366.5 (Y370.25). Its trade-weighted index was 84.7 (85.6). In New York, sterling closed at $1.4975. Page 27

● GOLD fell 25 cents in London to $423.625. In Zurich, gold finished at $423.5 ($424.5). In New York, the Comex August settlement was $417.5 ($422). Page 26

● BANKAMERICA had its credit rating lowered by Standard and Poor's, U.S. rating agency, for the second time in a year. Page 11

● NATIONAL STEEL, the fourth biggest U.S. steel company, said it was not raising prices from its current list levels. However, it said it "will continue to adjust prices as market conditions indicate they are justified." U.S. Steel and Bethlehem raise prices. Page 4

● NATIONAL Commercial Banking of Australia intends to raise A$127m ($113m) through a one-for-four rights issue. Page 10

● CREDITANSTALT, Austria's biggest bank, wants to sell its loss-making industrial divisions. Page 10

● MANNESMANN, steel pipe and engineering group, reported profits down sharply in the first half. Page 10

● IRAN-BRAZIL trade agreement is in jeopardy because of Iran's insistence on receiving confirmed letters of credit issued by its list of 14 western banks. Page 4

● SWISS machinery manufacturers reported a further sharp drop in new foreign orders for the engineering industry.

● INDONESIAN state electric company announced it would go ahead with studies aimed at using nuclear power for electricity generation.

BRITISH COMPANIES TO BE GIVEN KEY ORDERS

Reduced role for Westinghouse in UK reactor plans

BY DAVID FISHLOCK, SCIENCE EDITOR, IN LONDON

Britain has decided to order key components for its nuclear power programme from UK rather than foreign companies. The decision by the state's Central Electricity Generating Board (CEGB) is likely to deprive the U.S. group Westinghouse Electric of much of an expected £100m ($150m) order.

Framatome of France, however, is still favoured to win one important contract for the Sizewell B pressurised water reactor (PWR) in eastern England.

Sir Walter Marshall, CEGB chairman, said yesterday that instead of placing a £100m contract for the entire primary circuit of Sizewell B with an overseas supplier, probably Westinghouse, the CEGB now proposed to place "all but a few tens of millions" with British industry.

The CEGB has also indicated a readiness to help financially to upgrade more industrial facilities in Britain to "nuclear" standards – the most exacting outside the aircraft industry.

Strong pressure from the British engineering industry has prompted the CEGB to abandon its plan to place the orders abroad. Major engineering groups such as Babcock International and NEI complained that, although under earlier proposals British industry stood to share contracts worth about £550m, the primary circuit contract represented the highest technology business, in which they were anxious to get early experience.

The primary circuit components which may, as a result, be made in Britain include substantial parts of the four steam generators, the pressuriser, the inter-connecting pipework, the reactor head packages, the insulation, motors for the main coolant pumps and supporting steelwork.

Under the revised procurement plans, Westinghouse will remain prime contractor for the primary circuit. In addition, it will provide the reactor internals and the steam generator internals, for which it has large assembly lines and can offer sustantial production economies.

Sir Walter yesterday visited the River Don works of Sheffield Forgemasters, a joint venture recently formed from the forging and melting facilities of British Steel and Firth Brown.

It has one of the world's biggest forges, potentially capable of forging the biggest and most critical parts of the primary circuit such as the pressure vessel and steam generator components.

Sir Walter said that, following high-level technical investigation of the River Don works earlier this year – including a visit from Sir Peter Hirsch, chairman of the UK Atomic Energy Authority and one of Britain's leading metallurgists – the CEGB was willing to help finance

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Mitterrand appeals for end to Chad conflict

BY DAVID MARSH IN PARIS

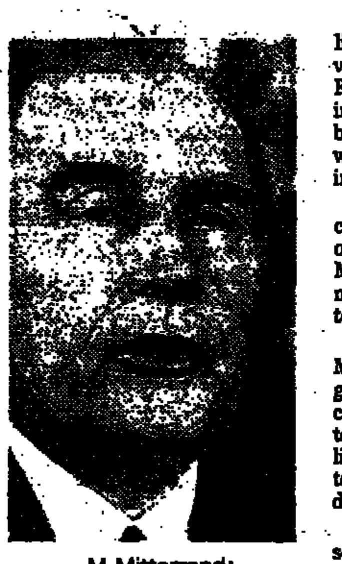
PRESIDENT François Mitterrand, appealing yesterday for an end to hostilities in Chad, put forward the idea of a Chadian federation to end 18 years of "infernal" warring in the central African country.

Warning Libyan leader Colonel Muammer Gadaffi that French troops maintaining a buffer zone between rival forces would fight back if attacked, M Mitterrand called for peace talks between the Chad Government and Libyan-backed rebels holding the North of the country.

In his first public statement since France started its troop airlift to its former African colony just over two weeks ago, the French president threw his weight behind a peace initiative involving rival Chad factions, the Organisation of African Unity and possibly the United Nations.

However, a representative of Chad rebel leader Goukouni Queddei said in Paris last night that the rebels rejected both the idea of talks with M Hissene Habré, the country's president, and the suggestion of a federation.

M Mitterrand firmly ruled out a North-South partition of the country, which he said might spark off a "tragic period of general instability" in other African countries with disputed boundaries dating from colonial times.



M Mitterrand: federation call

M Mitterrand's statement, published in the form of a long interview in Le Monde, made clear that France would use its military force in Chad if needed to keep the peace, but emphasised that the troops were there to stop a war, not to get involved in one.

Softening considerably earlier criticism from the Elysée Palace over U.S. policies towards Chad, M Mitterrand went out of his way to minimise differences with Washington over the affair.

In agreement with U.S. thinking, M Mitterrand blamed Libyan "aggression" for exacerbating the Chad conflict. While stressing his desire to avoid a full-scale war with Tripoli, he said French forces had to intervene "to defend the independence and just interests" of Chad.

Defending France's delay in sending troops and aircraft until well after they were asked for by the Chad Government, M Mitterrand said that if Paris had acted any differently over the affair, "either France would be at war with Libya for several weeks, or else the Libyan army would be at N'Djamena (the Chad capital)."

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Chicago enlists Lazard Freres

BY TERRY DODSWORTH IN NEW YORK

THE ESCALATING row over Chicago's deteriorating finances took a new turn yesterday when the mayor, Mr Harold Washington, called in the investment bank of Lazard Freres as full time financial advisers.

Lazard Freres is the bank which was called in to help rescue New York from a similar crisis in the mid-1970s.

Mr Washington's abrupt move comes after four months of increasingly aggressive sparring with opponents in the democratic machine that controls the city council. Chicago's first black mayor met early resistance to some of his incoming appointments, including a black police chief, and has since been accused of using the financial crisis to push through staff cuts which eliminate unsympathetic council employees.

The mayor increased the pressure on his opponents last week with an announcement of lay-offs for 1,700 city-employees, including up to 500 police officers and 300 firemen. These were essential, he said, for the city to balance its budget, which is reckoned to be running into a deficit of up to $80m to $90m this year.

Some compromise over the budget might be patched up if the city council could be persuaded to accept the mayor's proposals to rescind a $22m property tax cut agreed under the previous administration. But hopes that the traditional Democratic majority would give way on this issue have dissipated over the last week.

Chicago's immediate problem appears to be the question mark over its debt rating. The city still has a single A rating from the major institutions, and is by no means in the situation which hit New York in the mid-1970s, when it was unable to raise outside finance. But there have been suggestions that Chicago might be downgraded if the deficit continues to swell.

Mr Washington, however, has indicated that he wants to balance his budgets, and in bringing in Lazard Freres has turned to one of the leading specialists in city finances.

Mr Jack Tanagni, who will be leading the Lazard team, was formerly the head of fiscal administration at New York's Municipal Assistance Corporation, set up in 1975 to pull the city through its financial crisis. The bank is also working for a number of other large cities, including Detroit, Washington D.C. and Cleveland.

Moscow and U.S. seal grain accord

By David Buchan in London

THE SOVIET UNION yesterday committed itself to buying a minimum of 9m tonnes of U.S. grain a year for the next five years, in an agreement underscoring the superpowers' economic dependence on each other despite their current political hostility.

At the Moscow signing ceremony, Mr John Block, the U.S. Agriculture Secretary, the highest-ranking American official to visit the Soviet Union since 1978, described the new long-term grain agreement as "very, very important." Mr Nikolei Patolichev, the Soviet Trade Minister, was markedly less enthusiastic.

The new grain pact raises minimum Soviet purchases of grain from 6m to 9m tonnes a year. It will somewhat restore the U.S. share of foreign grain imports by Moscow, which was nearly 80 per cent before President Carter imposed a partial grain ban on the Soviet Union in 1980 in response to the invasion of Afghanistan. The U.S. share then fell to around 20 per cent. President Reagan lifted the ban 18 months ago.

The new agreement is the result of vigorous lobbying by U.S. farmers on the Reagan Administration and reluctant acceptance by the Soviet Union that, despite diversifying its sources of supply in recent years, it still needs to buy more U.S. grain. The Soviet harvest looks promising this year, but after four years of bad crops, Moscow still needs to restock.

After President Reagan's decision this week to decontrol the export of U.S. pipelaying tractors to the Soviet Union, the grain agreement may constitute a moderate thaw in the glacial relations between the U.S. and the Soviet Union.

Another sign was the recent agreement by the U.S. and the Soviet Union at the Madrid conference on continuing the review of the Helsinki human rights accords.

However, Mr Yuri Andropov, the Soviet leader, recently told a group of U.S. Democratic Senators visiting the Kremlin that relations between their two countries were "tense in virtually every field."

That is certainly the state of superpower military negotiations, in which the Soviet Union has eased its position slightly

Continued on Page 10

Japan shifts VCR sales drive to U.S.

BY JUREK MARTIN IN TOKYO

JAPAN has sharply increased its exports of video cassette recorders (VCRs) to the U.S. This has more than offset the voluntary restriction on shipments to the European Community negotiated earlier this year.

VCR exports of 2.58m units to the U.S. in the first seven months of this year have already surpassed the 2.5m shipped throughout 1982.

But shipments to the EEC in the first seven months, 2.34m units, are more than 10 per cent below the levels of the same period last year. In the months since the voluntary restraint agreement took effect in mid-March exports have been down by between 13.8 per cent in July and as much as 35.3 per cent in April, compared with the same months of 1982.

The figures suggest that Japan is living up to its side of the bargain and will succeed in keeping European shipments this year to below the agreed 4.55m units, including knocked down kits.

The Japanese industry is beginning to worry, however, that the two European VCR producers, Philips and Grundig, will not be able to sell in Europe the 1.2m units allocated to them under the agreement.

The concern is that the EEC might then ask for further cutbacks in exports in the second and third years of the programme. EEC sources here insist that so far the Japanese Government has not formally raised the issue.

Japan's total VCR exports in the first seven months, 7.56m units, are a third higher than the same period of 1982 and could well exceed 13m units for the full year, compared with 10.65m in 1982.

In July alone 1.38m units were shipped overseas, a new monthly record, exceeding the previous best, 1.25m, set in June. July's exports were 47 per cent up on the same month a year ago.

The surge in American demand clearly reflects the recovery in the U.S. economy. Additionally, next summer's Olympic Games, to be held in Los Angeles, have created an additional stimulus to VCR sales.

In spite of a more sluggish overall economy, the domestic Japanese market for VCRs has been expanding even more rapidly than the export sector.

In the first half, sales were up no less than 65 per cent on the same period a year ago and could well reach 3.5m units for the full year, half as much again as in 1982.

British trade figures prompt slide in £

BY JEREMY STONE IN LONDON

STERLING came under pressure in foreign exchange markets yesterday, losing more than 1 per cent of its effective value as currency operations came to terms with Wednesday's disappointing UK trade figures.

In London it closed 1.1 cents lower against the dollar at $1.5080 and finished below DM 4 for the first time in over three weeks at DM 3.975. Against the Bank of England's trade-weighted basket of currencies, sterling lost 0.9 to close at 84.7.

In New York, the U.S. dollar shot up sharply against all currencies yesterday after the Federal Reserve moved to drain liquidity out of the U.S. banking system by an overnight reverse repurchase agreement.

The immediate fear in the New York foreign-exchange markets was that the move marked a tightening of U.S. monetary policy and the dollar moved up quickly to DM 2.658, compared with its London close of DM 2.6355.

The pound, already weaker on fears about the UK trade balance, fell below $1.50 to close at $1.4975.

The pound's dip below DM 4 seemed to trigger a string of sales from Swiss banks, which had apparently been holding pounds in part as a hedge against their short positions in the D-Mark, which it then became necessary to cover.

The market also thought it detected the Bank of England trying to nudge sterling on to a lower and more competitive parity against the European Monetary System currencies. However, there was no indica-

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Money markets, Page 27; Lex, Page 10

CONTENTS

Bundesbank decides against tougher stance

BY JOHN DAVIES IN FRANKFURT

THE BUNDESBANK, the West German central bank, decided yesterday to hold to its monetary policy, refraining from increasing interest rates or tightening credit.

There had been speculation that the central bank might toughen its stance a little in view of the continuing strength of the U.S. dollar and doubts about the course of U.S. interest rates.

However, with the dollar below its peak of earlier this month, the Bundesbank's monetary policymaking committee decided it could afford to let matters rest.

The Federal Government in Bonn has made it clear that it would be loth to see a rise in interest rates because of the dampening effect on West Germany's mild economic recovery.

Dr Gerhard Stoltenberg, the Finance Minisetr, said earlier this week that the Bundesbank had been right to resist pressure to change course.

He emphasised that the Government and the Bundesbank—which has considerable independence — were agreed that monetary policy should aim to encourage growth of production, though without endangering monetary and currency stability.

Laest projections are that the gross national product will grow by between 0.5 per cent and 1 per cent this year. For many critics of the Government, this is far from being the upswing which Chancellor Helmut Kohl indicated would result from his re-election last March.

While the Bundesbank so far has been able to satisfy the Government by avoiding credit restraint, it still faces a problem with the money supply, which has been growing ahead of the target range.

The authorities have taken the view, however, that monetary growth will slacken and that in any case, it does not in the present circumstances pose a danger of renewed inflation.

Although the Government and Bundesbank are concerned about the strength of the dollar, they are not unhappy about the competitive advantage this may give to some German exporters.

Exports tapered off in the second half of last year and have been showing only tentative signs of recovery. West Germany last month had a trade surplus of DM 2.2bn (£547.26m), well down on the DM 3.8bn surplus in July last year, the Federal Statistical Office has announced. Exports were slightly lower at DM 33.2bn, imports were up a little at DM 31.03bn.

The balance of payments current account, which embraces not only trade but also services such as tourism, showed a deficit last month of DM 3bn—a worsening in comparison with July last year, when the deficit was DM1.9bn.

However, since the beginning of the year, the current account is showing a moderately healthy surplus of DM 3.1bn, compared with a deficit of DM 600m in the first seven months of last year.

Bonn unlikely to supply tanks to Saudis

BY JONATHAN CARR IN BONN

WEST GERMANY is now virtually certain not to supply Leopard-2 tanks to Saudi Arabia, and will take a restrictive attitude on delivery of any other weapons to the Kingdom. This has emerged here a week before Chancellor Helmut Kohl's visit to Israel and six weeks before his trip to Saudi Arabia and other Arab states.

It is stressed here that Herr Kohl does not plan to raise the issue of the Leopard-2 with the Israelis and, if asked, will note that is a matter for sovereign decision by Bonn.

Onlyy after the Chancellor's visits to the Middle East will the Government consider, in the light of the talks, what its formal attitude to weapons deliveries should be. None the less, it is already said to be virtually excluded that Bonn will agree to deliver so sophisticated a weapon as the Leopard-2 to a close neighbour of Israel. Any other arms supplies would be handled restrictively, and after talks with other Europeon allies and the U.S.

Herr Kohl's centre-right Government is thus working round to very much the same attitude as that taken by the previous centre-left administration under Chancellor Helmut Schmidt.

The Saudis asked for the Leopards in Herr Schmidt's time and the Chancellor was keen to do what he could for them. Saudi Arabia at that time was West Germany's biggest oil supplier and (as now) prized as a force for moderation in the region.

Herr Schmidt encountered serious domestic opposition, not least in his Social Democrat Party, and the Israelis launched sharp attacks on the West Germans over the Leopard-2 issue.

Herr Kohl, too, is keen to help the Saudis, but is anxious to strengthen ties with Israel also. His visit next week will the first by a West German Chancellor for a decade.

Any possible domestic pressure on Herr Kohl to go ahead with Leopard-2 deliveries on the Saudis—and so help preserve jobs—is likely to have been undercut by the latest sales success for the tank. In a deal announced on Wednesday, the Swiss army is to be supplied with 210 Leopard-2s shortly, and perhaps another 210 later.

Soviet warships 'may carry cruise missiles'

BY LESLIE COLITT IN BERLIN

A LEADING West German disarmament expert, Herr Egon Bahr, said yesterday he believes that the Warsaw Pact reaction to a deployment by Nato of new medium-range nuclear missiles will include cruise-type missiles launched from Soviet warships.

Herr Bahr was speaking at a news conference in East Berlin after meeting President Erich Honecker.

The Social Democrat politician, who is chairman of the Bundestag arms control subcommittee, negotiated West Germany's treaties in 1970 and 1971 with the Soviet Union, Poland and East Germany.

Herr Bahr said the Soviet Union has been preparing counter-measures since the Warsaw Pact summit meeting in Prague last April. These included "global-strategic long-range cruise missiles which—I am adding this—must certainly be based at sea."

Sea-launched cruise missiles are not part of the arms control negotiations in Geneva. The United States has also rejected Soviet demands that British and French missiles—including sea-based ones—be included as part of Nato's missile strength.

He said the Warsaw Pact threat to move tactical nuclear missiles into forward based positions in Eastern Europe, which was reiterated by Herr Honecker, "would only make sense if they were used as quickly as possible" in a conflict.

Reuter adds from Bonn: West Germany has urged the Soviet Union to drop its insistence on including French and British weapons in the Geneva talks.

Herr Hans Dietrich Genscher, the Foreign Minister, in a letter to Mr Andrei Gromyko, his Soviet counterpart, said that, without Soviet insistence on this "main obstacle," a breakthrough would be possible.

Lead-free petrol plan worries motor industry

BY OUR FRANKFURT STAFF

THE MOTOR industry in West Germany has expressed concern about the government plan to require introduction of lead-free petrol on January 1, 1986.

Herr Horst Backsmann, president of the industry's association, said it would be very difficult to overcome all the technical problems in time to meet the target date.

Under the plan, no new cars will be registered after the target date unless they are equipped with a catalytic converter to reduce exhaust pollution. Petrol will have to be lead-free if the converter is to function properly.

Worried about the effects of pollution on forests, the Government last month decided to force the pace for introduction of lead-free petrol in Europe. It decided not to wait, possibly in vain, for all countries to agree on a uniform plan.

Herr Backsmann claimed the plan would raise the price of cars, and maintenance costs, reduce engine efficiency and increase the amount of petrol used.

Volkswagen earlier this month expressed serious reservations. Herr Karl-Heinz Briam, a VW board member, told the Government that installation of catalytic converters would put up car prices markedly.

He feared that just before the target date there would be a rush to buy cars without catalytic converters, which would be permitted to run on normal petrol for an unspecified period, possibly 10 years. The boom could be followed by a slump in sales for several years, with serious consequences for jobs.

Car manufacturers estimate that a catalytic converter will raise car prices by DM 1,000-DM 1,500 (£250-£375), and the converter may have to be replaced during a car's lifetime. The additional burden on motorists is reckoned to be about DM 6bn (£1.5bn) a year.

Makers of cheaper cars are especially sensitive about the effects on their sales. France and Italy, where small cars predominate, are reluctant to follow West Germany's example because of the costs.

Strauss call to boost birth rate

By Our Bonn Correspondent

ARE THE Germans dying out? Herr Franz Josef Strauss, ever good for a surprise, thinks they may be and that the Bonn Government is about to encourage the trend.

The Bavarian leader yesterday issued his strongest warning since he emerged this summer as a fierce opponent of planned cuts in maternity benefit.

He told the daily newspaper, Die Welt, it was right for the coalition to make budget savings, but wrong to take action which would further cut the birthrate. The net effect could be that "we will hand on consolidated budgets to a dying people."

Herr Strauss, whose Christian Social Union is one partner in the government, has been sniping for months at Bonn policies not to his liking. He has no cabinet post.

In the interview he said there was a need to awaken "a comprehensive new moral consciousness about the ethical and moral foundations of our people."

Asked what he meant, Herr Strauss replied bluntly: "We need more young fathers and mothers. We need a new generation which will boost the biological resources of our people."

He also stressed that the future financing of pensions and other benefits depended on a higher birth rate, more jobs and hence more people making social security contributions. He agreed this could not be achieved by steps in a single budget, but a start had to be made somewhere.

Herr Strauss is not the first person to underline the problem, although he is about the most trenchant.

The Government has promised an "active family policy" but also says that the top priority is to cut the budget deficit.

Protest ends at Dutch air base

By Walter Ellis in Amsterdam

A WORK-TO-RULE by military personnel at the Dutch air force base at Leeuwarden, in the northern most province of Friesland, ended yesterday as talks opened between service representatives and the Government on the question of a planned increase in health insurance costs.

All nine of the armed forces' trade unions are against the proposed rise, which could cost the average serviceman with a family up to Fl 200 ($68) extra per month. Mr Willem Hoekzema, the Army Personnel Minister, said yesterday that he would delay a final decision on the insurance charges pending the results of the talks. Conscripts as well as professional servicemen have been involved in the go-slow, although only the latter would be affected by any increase.

The overall efficiency of the base, which houses fighters, was affected by the men's action, but air-readiness in the event of an emergency is said not to have been impaired.

The Netherlands has permitted trade unions in its armed forces for many years. Some of the service unions are left-wing, radical organisations, which, for example, seek to publish military secrets and demonstrate against nuclear weapons. Increasingly, though, the main concern is pay and conditions, and one union is determinedly pro-military.

● The ruling Dutch Christian Democrat and Liberal parties have endorsed a Government plan to examine the alleged involvement of the Netherlands' military mission in Paramaribo in the coup which brought Lt Colonel Desi Bouterse to power in Surinam in 1980.

EEC consumer prices up 0.6% in July

Consumer prices in the European community rose by 0.6 per cent in July, pushing the inflation rate for the past 12 months up to 8.4 per cent from June's 8.2 per cent, the EEC Statistics Office said yesterday, Reuter reports from Brussels.

The rise contrasted with a fall last month which had put the annual rate at its lowest since 1978. But the 8.4 per cent year-on-year rate is still an improvement over the 11 per cent in the 12 months ending July, 1982.

Prices in July rose most in Luxembourg, by 1.5 per cent. In Italy and Belgium they rose 1 per cent and in France by 0.9 per cent. West Germany and the Netherlands maintained the lowest yearly inflation rates at 2.5 and 2.6 per cent.

Mediterranean pact on pollution now law

A treaty aimed at reducing Mediterranean pollution has become law with its ratification by six countries, the United Nations Environment Programme said yesterday, Reuter reports from Geneva.

The UN-sponsored treaty was adopted in 1980 after Unep reported that only three-quarters of Mediterranean beaches were safe for bathing and not more than 4 per cent of shellfish areas produced mussels and oysters safe for direct consumption. It was adopted by 16 governments and became law after it had been ratified by a minimum of six parliaments—in Algeria, Egypt, France, Monaco, Tunisia and Turkey.

U.S. urges 'fullest expression of views' in Turkish election

BY DAVID TONGE

MOUNTING U.S. concern at potential lack of credibility of Turkey's return to democracy has caused the State Department to call for "the fullest possible expression of views" in the general election due in November.

"We hope that there will be a constructive political dialogue involving the political parties, the Press and others," the State Department said.

Recent events in Turkey make this apparently mild remark the firmest public comment Washington has yet made on the generals who seized power in September 1980. The military have just prevented followers of the two largest political parties before the coup from contesting the election. They have also closed down two of the country's six main newspapers and a magazine.

The election is now only open to two parties set up with military blessing and one headed by Mr Turgut Ozal, who was long the regime's Deputy *Prime Minister*.

U.S. officials are concerned to maintain good working relations with an ally crucial to Nato defence straegy in south-east Europe. Their military and economic aid to Turkey in the year ending this September is expected to total $648m (£423m). The U.S. has important bases in Turkey and hopes to sell 200 fighter aircraft to the country.

However, some U.S. officials are worried at possible troubles in Congress, particularly publication of the news that the UPI correspondent in Turkey, Mr Ismet Imset, had been roughed up when he applied for a passport. There is also mounting anxiety about the problems the generals could face with West European countries as a result of the way they are preparing the election.

The U.S. has preferred private diplomacy to make this point to the generals, as has Britain. Long one of the Ankara regime's most forceful allies, Britain has been particularly disturbed at the recent crackdown in the universities, a tough draft Press law, continuing trials of unionists and the country's peace association, and the banning of moderate parties from the election.

Belgium's coalition parties at odds over tax amnesty

BY OUR BRUSSELS STAFF

QUARRELLING HAS erupted between the coalition partners of the Belgian Government over a decision to ask no question about the origin of funds returning to the country provided they are used for construction or industrial investment.

This fiscal amnesty was agreed when the Government settled the main lines of its generally cautious and restrictive 1984 budget at the end of July. It was instigated by the Liberals, the minority partner.

However, Mr Frank Swaelen, president of the Flemish wing of the Christian Democrats, the main coalition partner, has now declared that the amnesty will have to be reconsidered. Personally, he found it immoral and he doubted it would be effective anyway.

This has prompted a sharp rejoinder from Mr Willy de Clercq, the Liberal Minister of Finance, and from Mr Guy Verhofstadt, president of the Flemish Liberals.

The conditions for the application of the amnesty may be negotiated, they have said, but not the principle. And, according to Mr Verhofstadt, the Christian Democrat objections are "incomprehensible, hypocritical and contradictory."

The dispute promises fresh difficulties for the Government in the autumn when it defines the details of the budget. It has filled the summer political vacuum. Most ministers are on holiday and Mr Wilfried Martens, the Prime Minister, is recovering from a heart operation.

Fiscal amnesty was mooted in the spring but dropped in the face of political and moral objections to the idea of cleansing illegal funds.

The idea is to tap for fresh investment funds which have fled abroad to avoid the tax net. Belgians for years have quietly been building up bank accounts in places like Luxembourg and Switzerland. Use of these funds could be of special help to the construction industry which has 100,000 unemployed.

Portuguese yard aims to deliver unwanted tanker

BY DIANA SMITH IN LISBON

SETENAVE, the heavily-indebted Portuguese shipyard, is preparing this week to deliver a 300,000-tonne supertanker, the "Settebello," to a subsidiary of the Thyssen empire called Settebellum.

The company, however, no longer wants a vessel ordered in 1972 before the first oil shock and before Portugal's 1974-75 revolution forced nationalisation of Setenave. Ensuing labour agitation at the yard caused successive delays in completing the vessel, one of two originally ordered.

Settebellum was able to cancel its order for the first vessel completed in the late 1970s. The Portuguese Government of the day forced the unwanted supertanker on the nationalised tanker operator Soponata, despite its lack of need for such a large vessel. It has hardly been used since.

The long delays in completing the "Settebello" led Thyssen two years ago to claim that Setenave had failed to honour its contract and to start pressing for return of $11m (£7.3m) of the down payment on the vessel.

Obtaining no response through normal channels, Thyssen eventually brought a suit in London against the Banco Totta e Acores, a nationalised Portuguese bank which acted as guarantor for Setenave for return of the money. The case is still under way.

OECD expects steel demand to remain weak

PARIS—Demand for steel in most parts of the world will remain weak this year and further job cuts in non-Communist steel industries are likely, the Organisation for Economic Co-operation and Development said yesterday.

An OECD report said steel output in its 24 industrialised members slumped by 63m tonnes last year to its lowest level since 1967. Production this year would be scarcely higher.

Output in the United States and Canada, which fell last year by 38 per cent and 20 per cent respectively from 1981 levels, is likely to recover only partially in 1983 while a further decline is expected in the European Community, Japan and Australia.

The report said OECD output last year was affected by lower demand both domestically and in developing countries, especially Latin America. Exports are not expected to recover this year. Employment in OECD steel industries fell by some 150,000 jobs or 10 per cent and further cuts are likely in 1983.

The capacity of the steel industries in member nations is also expected to decline in 1983 for the third successive year.

French consulate wrecked by blast

AN explosion ripped through a building housing the French consulate-general in West Berlin yesterday, killing two people and injuring 23 others, police told Reuter. An anonymous caller to a Western news agency claimed that the Armenian Secret Army (Asala) was responsible for the explosion, which scattered wreckage into the city's main shopping street and left a gaping hole in the side of the building.

Asala has previously claimed responsibility for several bomb attacks in Turkey and Western Europe.

Security talks try to bypass Malta's block

BY DAVID WHITE IN MADRID

FOREIGN MINISTERS of the 35 countries involved in the Conference on Security and Co-operation in Europe are to be invited to a meeting here on September 7-9 even though it remained uncertain last night whether the conference could achieve its final consensus by then.

The ministerial gathering is seen as a way of by-passing the obstruction created by Malta, which ahs singlehandedly stalled conclusion of the three-year-old conference for the past six weeks by pressing its own proposals on security in the Mediterranean.

These proposals, judged impractical by most other participants, present the last obstacle following the resolution of East-West differences on a final document for the conference, updating and extending the Helsinki Accords of 1975.

Spain said it was inviting foreign ministers, irrespective of the outcome of the Maltese issue, for the dates which had been set for the formal closing of the conference. The September gathering, which would include Mr George Shultz, the U.S. Secretary of State, and Mr Andrei Gromyko, the Soviet Foreign Minister, would be the first East-West meeting of this scale and importance since the Soviet invasion of Afghanistan in 1979.

Intense irritation among delegates over the final hitch made worse by the fact that Mr Everist Saliba, the chief Maltese delegate, arrived four hours late, explaining he had been "very busy."

Malta presented what a U.S. delegate described as a "blank cheque" demand for the participants to pledge "moral and material" support for initiatives on Mediterranean security.

The Maltese delegation also rejected a proposal for a last-ditch delegates' meeting on September 6 and called for much earlier talks on its case. A Western diplomat charged that the Maltese were aiming "just to make it clear that they can be difficult."

Failing agreement with Malta, whose approval is needed for a consensus, a question mark hangs over the series of follow-up meetings provided for in the final document which the other participants have already approved.

Poland's rebel priests keep the spirit of Solidarity alive

Leslie Colitt, recently in Warsaw, reports that disaffection may not lead to confrontation

IT IS a rare official who will not admit that the popular mood in Poland remains one of sullen rejection of the Government. How can it otherwise, they ask, with the economy in such an appalling state? The hope is that when economic conditions improve the problems with the opposition will vanish.

As the anniversary approaches of the August 31 1980 signing of the Gdansk, Szczecin and Jastrzebie agreements which led to the formation of the now-banned Solidarity union, most Poles are weary of confrontation. Time and again the Government has proved it can nip any demonstration in the bud and effectively isolate opposition activists. The surrender to the authorities this week of Mr Wladyslaw Hardek, one of the five underground Solidarity leaders, was further evidence of the Government's success.

The authorities fear however that a widespread observance of Solidarity's call for a peaceful boycott of public transport on August 31 would again demonstrate to their always suspicious Soviet neighbour that Poland is far from pacified.

After a long silence, Moscow recently levelled a stinging attack on "aggressive circles" in the Polish Catholic Church, which it said had become more active and more anti-socialist in their sermons since Pope

THE SENIOR member of Solidarity's underground leadership questioned yesterday the reported surrender of his fugitive colleague, Mr Wladyslaw Hardek, AP reports from Warsaw.

Mr Zbigniew Bujak, best-known of the clandestine "Contemporary Co-ordinating Commission," or TKK, said Mr Hardek had taken part in the union's work until immediately before he appeared on television to read a statement announcing his surrender and urging others to come out of hiding.

"To the very last, Wladyslaw Hardek had participated in the works of the TKK and there were no indications about his intention to stop fighting and come out of hiding," he said.

John Paul II visited Poland in June.

The Russians do not take Polish priests lightly, after long experience with them. Following Poland's first partition in 1795, it was the priests who kept alive the flame of nationhood during the 113 years that Poland was divided between Russia, Prussia and Austria.

Today, the priests who rattle the nerves of the Soviet leaders are helping to sustain the memory of Solidarity and to protect its members. Their influence grows as the union's underground leaders lose touch with actual conditions and as Solidarity supporters shy away from head-on collisions with the Government.

The militant priests often come into conflict over tactics with the Polish Church hierarchy under the cautious primate Cardinal Jozef Glemp. But the Church fully realises that they serve as a vital link to a large body of the faithful who might otherwise become estranged.

Embittered younger members of the illegal union in particular are felt to be in danger of slipping from the Church's fold. They speak of Pope John Paul II, not of the bland Cardinal Glemp, as the true spiritual leader of the Polish Church. In the Pope's pronouncements on Solidarity during his visit they find support for their own convictions, although he never spoke of resurrecting the union.

Thus at the same time as the Church continues its dialogue with the Government, a tacit understanding exists between church leaders and the militant priests that the essential ideas of Solidarity are to survive under Church protection even after the organisation has been eradicated.

Father Jerzy Popieluszko from Warsaw is one of the band of priests in Poland whose fiery sermons are heard by thousands each Sunday. At the August 13 memorial mass in Gdansk for the start of the 1980 strike in the Lenin shipyard, Father Popieluszko spoke in the overflowing St Brygida's church.

He reminded helmeted shipyard workers with their families and uniformed Girl Guides and Boy Scouts of the "shameful night" when martial law was imposed. The truth, he said, could not be destroyed and Poles must protest against what is untrue. The priest called on his followers not to be afraid, and invoked the very Polish cult of the Virgin Mary. "Maria was there to help us battle the Bolshevik tide in 1920," he exclaimed, alluding to the Red Army's defeat at Warsaw by Poland's Marshal Jozef Pilsudski. "Maria, you are with us in war and peace. Pray for us, for those in jail. Give the people a victory."

The next morning, after another emotional mass in St Brygida's, thousands of worshippers singing patriotic hymns spilled out of the church to be joined by crowds outside. They marched toward the three crosses monument erected by Solidarity outside the Lenin shipyard but were quickly dispersed by platoons of riot police.

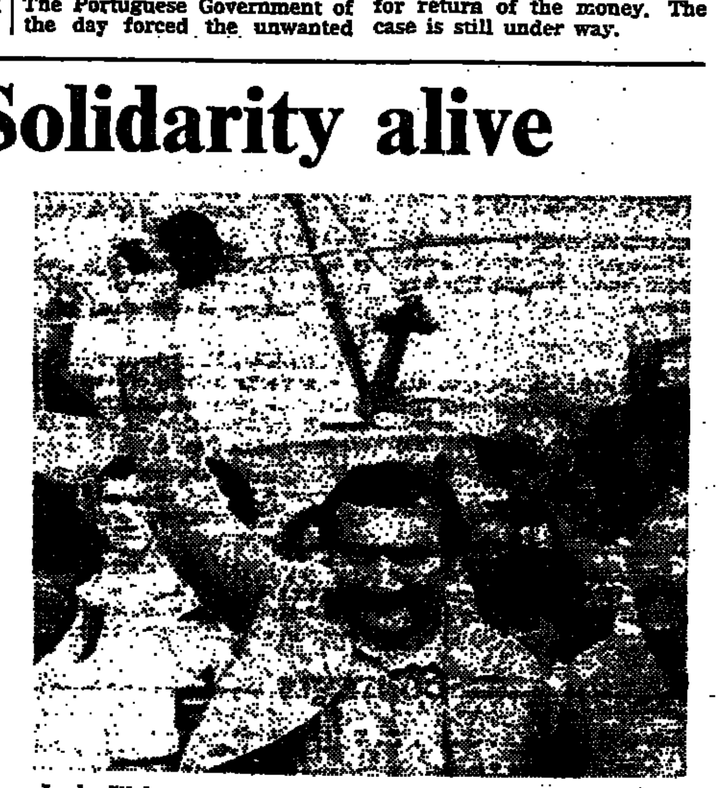
Father Henryk Jankowski, the provost of St Brygida, is regarded by the authorities as public enemy number 2, after his close friend Mr Lech Walesa. "I must fight for justice," he said recently, avowing that the union was not his concern. He said there was no reason for him to remain silent and that he would continue "speaking the truth."

As he spoke, the military governor of Gdansk, General Mieczyslaw Cygan, was meeting Bishop Lech Karczmarek of Gdansk to complain about the priest's activities. "The Bishop might see things differently, and the Primate too," Father Jankowski remarked, "but I will continue."

A Polish official compared the problems the Church leadership is having with its militant priests with the Polish Communist leadership's struggle against the party's hardliners. The latter criticise Poland's leader Gen Wojciech Jaruzelski for not taking a tough enough line against the opposition.

But unlike the underlying accord which exists between the Church and its priests, the party cannot tolerate hardline opponents of its policies, who are always prepared to make a bid for power with Moscow's help if the Government proves to be ineffectual.

What of the Government's vision of a Poland in which "economic man" will prevail over the politically romantic Pole? Polish economists estimate it will take until 1986 to restore production to where it



Lech Walesa, "public enemy No. 1," leaves the Lenin shipyard yesterday on the third day of the Solidarity-supported go-slow.

was in 1978 or 1979, years of widespread shortages.

This is not the juiciest of carrots to dangle before Polish workers, who are being called on to accept higher prices and a new wage system emphasising performance and not mere attendance. A senior Polish economics official acknowledged that Poles are still firmly opposed to price increases, an attitude which he said remained at the "core of our problem."

Poles have periodically revolted since 1956 over price rises, which lie at the heart of the Jaruzelski Government's economic reform programme. Prices are scheduled to rise in January for a range of foodstuffs and consumer goods. Within the party the debate is heated over how much Poles will swallow without rebelling.

Editorial comment, Page 16.

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Morocco likely to seek 'Paris club' debt rescheduling

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

MOROCCO is expected to seek a rescheduling of several hundred million dollars of debt owed to Western governments as well as the restructuring of its commercial bank debt announced on Tuesday.

The rescheduling, which will come through the so-called *Paris Club of industrial* creditor-nations, will be part of a package of measures designed to plug a \$2bn (£1.34bn) gap in the country's balance of payments deficit this year as well as keep its foreign debt on an orderly footing.

Also expected to be included in the package are an International Monetary Fund loan of some \$300m, a World Bank structural adjustment loan and *significant amounts of aid.*

The rescheduling of government debt is on the agenda of the next Paris Club meeting in September, but yesterday it was still unclear how much debt is involved.

Initial estimates from economists suggest that the amount could be more than \$500m which means that governments will be involved in a much larger rescheduling operation *than commercial bank creditors.*

Meanwhile, signing of a \$200m short-term facility for Morocco's oil refinery Samir is to be delayed because of the country's decision to seek a rescheduling of its medium and long term foreign debt.

Gulf International Bank as leader of the loan syndicate decided to postpone the signing after polling the other 22 lending banks by telex yesterday.

Only two banks in the syndicate actually wanted to drop out of the deal altogether and four were willing to go ahead, but a clear majority called for a postponement following clarification of the Moroccan proposals.

Morocco's request to creditor banks to meet in Rabat on September 9 to discuss rescheduling came at a particularly difficult time for the loan syndicate as it was scheduled to sign the \$200m deal today.

On Tuesday, Morocco told bank creditors it wanted to restructure its medium and long-term debt but the rescheduling should have no impact on its short-term borrowings which are thought to represent only \$500m out its total \$10bn foreign debt.

Although the Samir loan is a short-term deal, lending banks want to be assured that it will not be caught up in the rescheduling at some stage before they actually sign the credit.

It is understood that Gulf International has already provided the borrower with bridging finance pending an eventual signing.

Uganda negotiates third IMF standby facility

BY MICHAEL HOLMAN

UGANDA HAS successfully negotiated its third International Monetary Fund (IMF) stand-by facility worth over 100m SDRs (£60m) Mr Robert Elangot, deputy governor of the country's central bank, said in London yesterday.

A formal announcement from the Fund's headquarters in Washington is expected shortly and the first tranche will be available in September.

The Fund has played a critical role in Uganda's gradual economic recovery since President Milton Obote recovered the leadership in December 1980. The first agreement in 1981 provided 135m SDRs, and the second programme, which ended in June this year, was worth 127m SDRs.

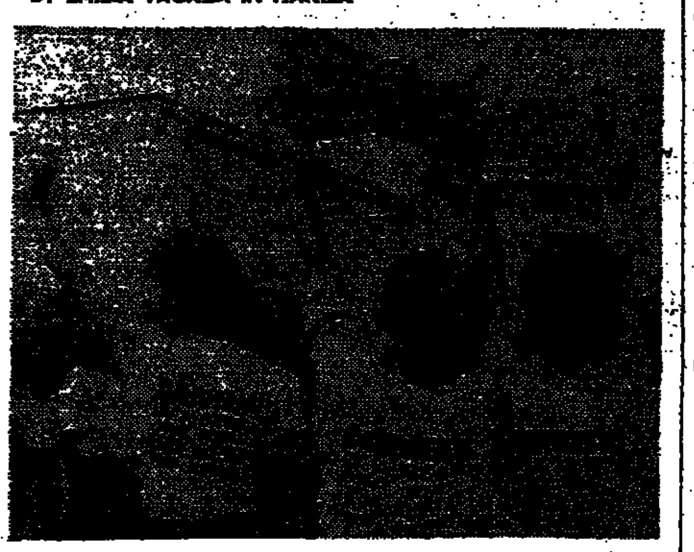
Mr Elangot is a member of a Ugandan government delegation led by Dr Luwuliza Kirunda, Minister of Internal Affairs, which has been meeting British businessmen during a short stop-over in London following talks in Moscow on the rescheduling of Uganda's debt to the Soviet Union.

Of the outstanding amount of 30m roubles (£26m), 10m roubles has been written off, and the balance of 20m roubles rescheduled for payment over 15 years, with no interest, and after a seven-year grace period.

The Soviet Union also agreed that the 781m Ugandan shillings (£3.2m) it holds in its account in Kampala will be used to cover local costs of proposed Soviet aid projects in Uganda.

Thousands mourn Aquino in orderly procession

BY EMILIA TAGAZA IN MANILA



SOME 50,000 mourners turned up yesterday at the procession transferring the body of Mr Benigno Aquino, the slain Filipino opposition leader, from his house to a nearby church.

The orderly procession, although a remarkable show of support for Mr Aquino and his policies, and punctuated by bursts of nationalistic songs and slogans, has allayed fears of President Ferdinand Marcos' Government that the political opposition may "exploit the killing in order to foment hate and disorder in the country."

Mr Aquino's death has stunned Filipinos. It is doubtful, however, if the unprecedented show of genuine sympathy for the leader, who was killed by a gunman on Sunday, could be translated into greater support for the splintered opposition, which Mr Aquino—who was nicknamed "Ninoy"—had hoped to unite

The political slaying has also caused serious embarrassment to President Marcos' Government, which had vowed to prevent Mr Aquino from returning to Manila because of reports of an assassination plot.

The fact-finding mission created on Wednesday by President Marcos to investigate the slaying is to start public hearings on Monday. Mr Enrique Fernando, Chief Justice of the Supreme Court and head of the commission, said yesterday that lawyers for the Aquino family will be invited to cross-examine witnesses.

The oppositon coalition, the United Nationalist and Democratic Organisation said it was not satisfied with the commission.

Beirut blast wounds 8 French soldiers

A huge explosion ripped through a command centre of the French peace-keeping force in mostly Moslem West Beirut yesterday, AP reports from Beirut. A Lebanese police officer on the scene said eight French soldiers were wounded—four of them gravely.

The explosion is believed to have occurred in an ammunition truck.

Lebanese police and civil defence spokesmen said they believed the blast was accidental, and no sabotage was involved.

Redeployment delayed

ISRAEL has delayed its long-planned redeployment in Lebanon to give President Amin Gemayal's Beirut government a little more time to prepare to take over hotly-disputed terrain in the Shouf mountains, our Tel Aviv Correspondent reports.

The delay appears to be only a question of days: It follows the intervention of Mr Robert McFarlane, the U.S. special Middle East envoy, who has been mediating with Beirut.

Army chief of staff Moshe Levy originally announced on August 16 that the redeployment would take place within a few days.

Israeli officials said there had been no basic change of plan and the army was expected to move back to new positions in south Lebanon before the Jewish New Year on September 7.

Hong Kong recovery

HONG KONG is showing signs of export-led economic recovery, according to newly-published government statistics, Robert Cottrell reports. Domestic exports in the first half of this year grew by 9 per cent in inflation-adjusted real terms year-on-year, comprising 3 per cent growth in the first quarter and 14 per cent in the second quarter.

Re-exports grew by 7 per cent in the half, reflecting 2 per cent first-quarter growth and 11 per cent in the second quarter, all in real terms.

The figures underline local confidence that overall economic growth, measured by Gross Domestic Product, will comfortably outstrip the 2.4 per cent measured last year. Analysts believe that 1983 real GDP growth may be anywhere from 5 to 9 per cent.

Windhoek visit

Sr Javier Perez de Cuellar, UN Secretary-General, flew to Windhoek, Namibia, yesterday after inspecting the Southern Angolan border, and met political leaders of the disputed territory he is trying to nudge toward independence, AP reports.

It is the first time in 11 years that a UN Secretary-General has visited South Africa. Sr Perez de Cuellar is on a fact-finding mission for the Security Council, to which he will report by August 31.

Call to Punjabis

The outlawed Pakistan People's Party has called on the people of The Punjab, the country's most populous province, to join a campaign against Gen Zia ul-Haq's martial law government, Reuter reports from Islamabad. The statement demanded the resignation of President Zia, the release of all political prisonders, elections in three months, and the dropping of what it called false charges against protesters.

Technicians killed

THE MOZAMBIQUE Defence Miistry has confirmed the killing of two Soviet technicians and the abduction of 24 others by Mozanmique National Resistance (MNR) rebels, our Foreign Staff reports.

The incident took place last Sunday at a mine in the central province of Zambesia. The ministry said that the Soviet workers appear to have been singled out as other workers from Portugal and East Germany were untouched.

Wafd re-enters Egyptian arena

BY CHARLES RICHARDS IN CAIRO

WHEN the New Wafd party announced this week that it was re-entering the Egyptian political arena, like a ghost from the post, many wondered how much popular support it could command.

Egypt's ruling National Democratic Party has long dismissed the New Wafd—whose predecessor disappeared from the scene over 30 years ago—as a party of "has-beens with no relevance to the present. But the New Wafd must, however, have taken heart, and the Government no little fright, from the turnout two days after the announcement.

Then, an estimated 10,000 people attended a political rally billed as a meeting to commemorate two nationalist heroes, Saad Zaghloul and Mustapha El Nahas.

Saad Zaghloul led the original "Wafd" (Arabic for delegation) that went to the peace conference in 1919 to present Egypt's case against the British occupation, creating the movement from which the party of this name grew. His party became the great Egyptian nationalist movement of the 1920s and 1930s.

The main speaker at this week's rally was Mr Fuad Serageddin, a veteran Wafdist campaigned and leader until the party was banned after the 1952 overthrow of the monarchy.

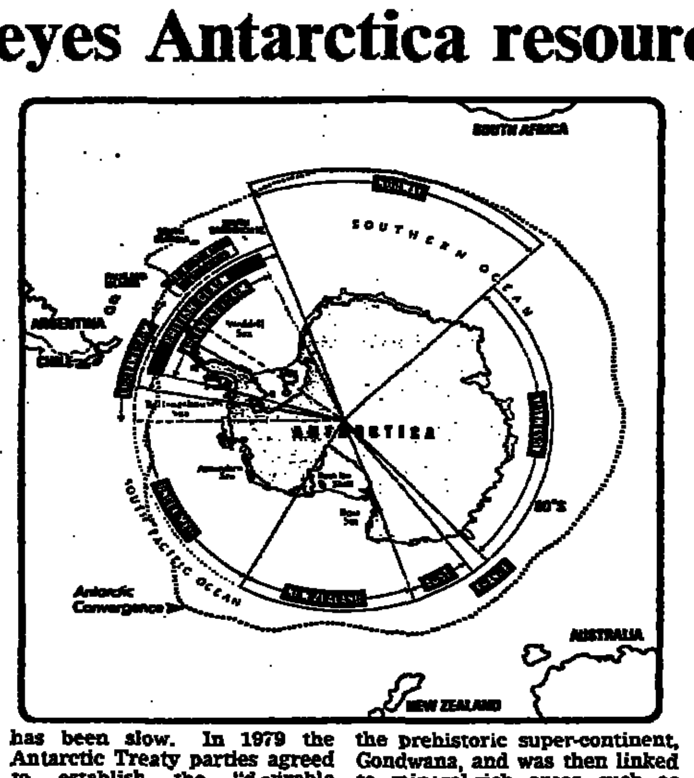
In his speech, he set out what approached a programme for the new Wafd: Respect for constitutional liberties, a commitment to maintaining the public sector in strategic industries, and the lifting of Egypt's present emergency laws.

The revival of the New Wafd poses a problem for the Government. It can allow it to re-form, in which case, judging from the support at its first rally, it will pose a genuine threat. Or it can seek to prohibit the return of the Wafd, in which case it would be seen by some as acting undemocratically.

So long as the Wafd can act as an umbrella it will be a rallying point for that support. But its inherent weakness is that as soon as it starts to formulate a more specific programme, it will alienate one group or another.

David Tonge reports on a possible threat to the unique co-operation of a cosy club

Third World eyes Antarctica resources



HOW WILL the world divide the minerals on its fifth largest continent, Antarctica? A step towards resolving this problem may be taken next week when the 14 full parties to the Antarctic Treaty meet in Hobart, Tasmania, to discuss the operations of their new regime covering fish, the shrimp-like krill and other marine resources of the area.

The Antarctic Treaty has long been a unique example of international co-operation. Its provisions demilitarise one-tenth of the world's land surface and have led to nearly a quarter of a century of co-operation between countries as divided as the Soviet Union and U.S., and Argentina and Britain.

It dates back to 1959 when only scientists were interested in the world's most inhospitable waste. "Great God! This is an awful place," was Captain Robert Scott's comment when he reached the South Pole in 1912.

But, as other groups have turned their eyes south, so the delicate compromises involved in the treaty have come under threat. These compromises have allowed those whose claims to the Continent overlap to sit down with each other—and with countries such as the U.S. which refuse to recognise the claims.

The importance of the Convention on Antarctic Marine Living Resources, which came into force last year, is that it represented a successful attempt to fob off some of the problems raised by those who wished to exploit the economic potential of the area.

At one time the fishing riches seemed to promise a virtual bonanza. A decade ago catches of Antarctic cod and other fin fish rose rapidly to reach half a milion tons per year, and prospects seemed glittering. But the East European and Japanese fishermen involved found they were overfishing. In the cold waters of the Southern Ocean the life cycle of fish is up to seven years, some three times that in the North Atlantic. The fish catch is now down to one-tenth of its peak levels.

At the same time, krill has proved less rewarding than once forecast. Annual catches total between 0.6 and 1m tons. But the cost of sailing the distances involved, the short fishing season possible in the rough seas and the rapid decomposition of krill all militate against it providing an economic harvest. It is too costly for widespread use as an animal feed and has yet to catch on with humans. Large quantities of "ocean paste" made in the Soviet Union tend to stay on shop shelves.

With no country showing any intention of building the large factory ships which could change this picture, the Hobart review of the Convention is likely to be relatively peaceful. But many of the participants then fly on to Canberra for the 12th Antarctic Treaty consultative meeting, starting on September 13, to discuss the more contentious matter of mineral resources.

The 14 countries which are full parties in the treaty—Argentina, Australia, Belgium, Britain, Chile, France, Japan, *New Zealand, Norway, Poland,* South Africa, the Soviet Union, the U.S. and West Germany—see the Convention on living resources as proving they are able to deal with economic and technological developments since the 1950s.

But, as one Western delegate says: "It is one thing to deal with a renewable resource such as fish. It is quite another to deal with minerals where *sovereignty is normally crucial.* The potential political problems are such that they might never be solved."

The minerals issue was first discussed in 1972 and progress has been slow. In 1979 the Antarctic Treaty parties agreed to establish the "desirable features" of a regime. In 1981 they decided to launch negotiations and stipulated that the result should be acceptable to claimants and non-claimants.

Clear divisions have emerged between those, such as Britain and France, who want normal rights to minerals on the areas they claim, and those a want a regime where sovereignty over minerals does not exist. "We are a very long way from agreement," one Western participant says. But he also insists that there is limited outside pressure to reach an early agreement.

The simple fact is that few if any companies are impressed by Antarctica's economic potential. On shore, interest was once stimulated because Antarctica had formed part of the prehistoric super-continent, Gondwana, and was then linked to mineral-rich areas such as South Africa. But the iron ore around the Prince Charles mountains to the east and the coal in the TransAntarctic mountains are both of low quality.

At the same time, the icecap, which contains nine-tenths of the world's fresh water, is not only an average thickness of around 2,000 metres but is moving, so threatening to shear drilling equipment.

One of the rare areas where relatively easy access is to be had is the Dufek massif claimed by Argentina, Britain and Chile. This produces major *geo-magnetic anomalies, but no* exploitable minerals have yet been identified.

Some porphyry copper traces similar to South American formations have also been found, but, in the view of Mr Robert Rice, consulting geologist to RTZ: "The economics of Antarctica hard minerals seem utterly impossible." He cites the problems of shipping equipment and products through the icebergs off Antarctica, the difficulties for workers and equipment in average temperatures of around −60°C, and the way that mining areas can remain inaccessible

Offshore, prospects for oil and hydrocarbons also seem unattractive. At one point in 1979 an executive of Gulf Oil was suggesting there could be "another Middle East in the Antarctic." But oil companies now think that the extreme difficulties of producing oil in an area crossed by massive icebergs put it low on their list of priorities.

If pressure from commercial interests is thus limited, those who deal with Antarctica can breathe a sigh of relief. "I hope mining never happens," one European official said. But he also warned that there is a new threat to the Treaty from Third World countries who have become increasingly critical of it as a "rich men's club."

A number of developing countries, frustrated by their failure to wring concessions from the industrialised north, *are now beginning to look to the* deep deep south. Malaysia, for instance, has just asked the coming session of the United Nations General Assembly to include Antarctica on its agenda. It wants "a wider international concert" to deal with the area.

Antarctic Treaty powers this spring sought to head off such pressure by allowing UN members to attend their Canberra *meeting as observers.* But most believe that this will not be enough to stop growing criticism of the cosy arrangements which have worked so smoothly during the past 25 years.

AMERICAN NEWS

Reagan attempts to close 'gender gap'

BY REGINALD DALE, U.S. EDITOR, IN WASHINGTON

PRESIDENT Ronald Reagan's co-option of his daughter Maureen as a political consultant this week is another highly visible sign of the Administration's growing alarm over its unpopularity with women voters.

Republicans now fear the so-called "gender gap" could seriously damage their prospects in next year's presidential and congressional elections.

Like many of Mr Reagan's past efforts to apease women voters, however, it runs the risk of backfiring.

Women's groups yesterday criticised the move as too, little, too late. It was obviously a response to what the White House regards as a political problem rather than a genuine effort to meet their concerns, they said.

Mr Reagan's problems with women voters have dominated the headlines in Washington this week. Ms Reagan's appointment has been overshadowed by the highly publicised resignation from the Justice Department of Ms Barbara Honegger, previously head of the department's team working on Mr Reagan's much-touted drive to find "instances of sexual discrimination in the law."

Ms Honegger resigned after dismissing Mr Reagan's efforts to root out sexual bias as a "sham." Yesterday, the White House admitted that she had dealt the President a severe blow. "She's kicked us, and we're on the deck," said one official.

The Administration, however, compounded its difficulties. It could not resist some nasty, sarcastic cracks about Ms Honegger. She was dismissed as a "low-level munchkin" by a Justice Department spokesman, and Mr Larry Speakes, the White House spokesman, said that the last time he had seen her "she was the Easter bunny at the White House Easter egg roll."

Such crass remarks were only too reminiscent of the President's foot-in-the-mouth attempt to apologise to a group of professional and business women whose visit to the White House earlier this month was mistakenly cancelled at the last minute.

Mr Reagan told them that he had always recognised "women's place" and that without women "U.S. men would still be walking around in skin suits carrying clubs."

In today's America, such patronising off-the-cuff remarks arc, for millions of men and women, as taboo and as revealing as racist slurs, and just as unfunny.

Women's frustration with Mr Reagan stems from his apparent total failure to recognise that their role in society has changed, and now is, or should be, automatically equal to that of men.

It is not just a question of "women's issues," such as the proposed constitutional equal rights amendment or abortion—or even the fear that Mr Reagan's military policies will lead to war.

Many American women feel Mr Reagan will never understand the fundamental social changes that have occurred over the last two decades.

In an opinion poll earlier this month, Mr Reagan had an approval rating of 58 to 37 per cent among men and a disapproval rate of 51 to 47 per cent among women.

A recent Republican study showed that the increase in women's voting, particularly in the south, presented a real danger to Mr Reagan's re-election chances if he runs next year.

His much-trumpeted appointments of women to positions in the Cabinet and the Supreme Court are not regarded as enough by many women. And yesterday, Ms Pat Reuss, legislative director for the Women's Equity Action League, had one simple reaction to Maureen Reagan's appointment. It was, she said, two-and-a-half years too late.

A Canadian who may be too popular too soon

BY NICHOLAS HIRST IN TORONTO

SINCE his victory at the Conservative leadership convention in June, Mr Brian Mulroney has hardly put a foot wrong in his attempt to become Canada's next Prime Minister.

Under his leadership the Tories have increased their lead in the opinion polls from 50 to 55 per cent of the decided vote, while Prime Minister Pierre Trudeau's Liberals have slipped back to equal their all-time low of 27 per cent.

Whatever the Tories' fears about electing as their leader a businessman who, although a backroom politician of many years standing, had never run for public office, have been assuaged.

On Monday Mr Mulroney fights a by-election in a Nova Scotia farming and fishing constituency. The vacancy was specially created for him by the resignation of Mr Elmer MacKay, one of his most ardent parliamentary supporters, and his victory is not in doubt.

When Mr Trudeau's Liberals won the 1980 election after the defeat in the House of Commons of Mr Joe Clark's short-lived Progressive Conservative minority Government, Mr MacKay still managed to win a majority of 4,485. Mr Mulroney is expected to do far better.

The Tories could also win in another by-election in British Columbia on Monday, in a constituency which has been a stronghold of the Left of Centre New Democratic Party. Mr Mulroney are so high, yet he in the constituency on a platform that a vote for the NDP is a vote for the Liberals. If the Tories win, as polls suggest they could, the party will have cause for celebration.

The danger in all this popularity for Mr Mulroney and the Tories is that nationally they may be too far ahead too soon; that Mr Mulroney's honeymoon period cannot go on for ever. One political analyst said: "Expectations of Mr Mulrooney are so high, yet he is not known by most Canadians except for his name and his jaw (Mr Mulroney's square jaw contributes to his good looks)—he has nowhere to go but down."

Mr Mulroney has done little to dispel the accusation of his critics that he is long on style and short on substance. He has shied away from making specific policy statements on the advice of senior Tories. But the Liberals are in such disarray that there is little need for the Tories to put themselves out.

While Mr Trudeau is on his sailing holiday with the Aga Khan, disaffected Liberal MPs have begun campaigning for his resignation in the autumn.

Mr Trudeau has said he does not intend to fight another election and there is a growing movement to make sure he sticks to his word. The feeling is that he is now so unpopular in the country that he could not

Mr Mulroney with his wife Mila at the party conference where he was elected leader.

possibly win another election.

In an attempt to give the Government a new look Mr Trudeau shuffled his Cabinet two weeks ago, only to be embarrassed 11 days later when one of his new Ministers resigned "for personal reasons."

Mr Trudeau, however, does not need to call a general election until early 1985. The economy is improving, and when the Liberals hold their leadership convention, the spotlight will turn away from the Tories.

The Liberal candidate, former Finance Minister, Mr John Turner, is equally as charming and far more experienced than Mr Mulroney, although he has been out of parliament since 1975.

Mr Mulroney's big challenge will come when he gets into the House of Commons. Since his leadership victory he has promised to bring all factions of the party into his team and to consult his parliamentary colleagues on policy.

The dissension that racked the party under Mr Clark's leadership has disappeared, in part because of Mr Clark himself, who publicly and privately has given Mr Mulroney his support, appearing to campaign for him in Nova Scotia.

Ironically, the bilingual Mr Mulroney owes his election as leader at least in part to Mr Clark's work in convincing the party that to win a general election the Conservatives must appeal both to English and French-speaking Canadians.

In choosing his team and policies, Mr Mulroney must tread a careful balancing act. His support in the parliamentary party comes largely from the Right-wing and from Mr Clark's enemies, but there is no evidence that Canadians are ready to vote for a Right-wing Government.

Mr Mulroney has talked of increasing defence spending and federal spending on the Health system, but also promised to cut back government. To please both party and country through the rigours of an election campaign will not be easy.

Uruguay parties stage day of protests

By Jimmy Burns in Montevideo

POLICE SEALED off the headquarters of Uruguay's main human rights organisation, the Service for Peace and Justice (Serpaj) yesterday as opposition groups staged their first co-ordinated day of protest in 10 years of military rule.

Earlier, the authorities released 173 men and women arrested on Wednesday night before announcing they were planning no special security measures for the day of protest in an apparent attempt to defuse the growing confrontation with the civilian population.

Those arrested had gathered near the Serpaj building where four human rights activists were ending a two-week protest fast.

The activists include a Jesuit priest, Father Perice Perez Aguirre and a Protestant pastor who was recently released from prison after serving a sentence for his alleged links with the left-wing guerrilla organisation Tupamaros.

Human rights groups, sectors of the church, and all the major political groupings have been stepping up their demand for an early transition to democracy

Steel prices increase 7%

By William Hall in New York

The two biggest steel producers in the U.S., which together account for almost a third of the industry's output are increasing the price of sheet and strip steel products by an average of 7 per cent.

The increase in prices by U.S. Steel and Bethlehem Steel is the first since February. It is expected to be followed by the other major U.S. producers and reflects the improvement in the industry's operating rate in recent months.

Last week U.S. steel mills were operating at 53.7 per cent of capacity compared with 30 per cent at the end of December.

U.S. Treasury official to attend Caracas conference on debts

BY WILLIAM HALL IN NEW YORK

THE U.S. Administration has dropped its opposition to the meeting of Latin American debtor countries in Caracas next month and is sending Mr Beryl Sprinkel, the Under-Secretary for Monetary Affairs at the Treasury.

When the meeting, known as the "specialised conference on external financing," was first suggested by the Organisation of American States (OAS), the U.S. was the one member of the Organisation to vote against the proposal.

It said it saw "no significant benefit which might be obtained from such a conference when compared to the dangers of misrepresentation and misuse of the forum for essentially political or speculative purposes."

The U.S. said it would have seriously to consider whether its participation in the five-day ministerial conference, which starts on September 5, would be in the interests of "financial policy stability and evolution in the hemisphere."

U.S. officials are worried the Latin American countries which are struggling with foreign debts of $300bn (£198bn) might use the occasion to discuss the formation of a "debtors club."

OAS officials have stressed this is not the purpose of the meeting. The preliminary agenda will cover the current situation and outlook for external financing in the region and will discuss ways of strengthening the development institutions in Latin America.

Venezuela, which is hosting the meeting, has been more specific on what it sees as its purpose. Sr Victor Gimenez Landinez, Venezuela's Ambassador to the OAS, said earlier this month, that its real objectives will be "to establish certain criteria and general principles of behaviour for governments, external financing institutions and private international banks and will permit us to arrive at solutions acceptable to all."

Bankers in New York differ widely on the importance they are attaching to the meeting. One described it as a "non-event." Others felt the forum might produce a common statement on the debt crisis.

Bankers are watching to see the seniority of representatives sent by the major debtor countries. They say that if the finance ministers of Mexico, Brazil and Argentina attend then more weight would be given to the conference than if it is attended by junior ministers.

Pinochet grants permission for opposition rally

BY MARY HELEN SPOONER IN SANTIAGO

GENERAL Augusto Pinochet's regime has unexpectedly granted permission for an anti-government rally on September 4, the 13th anniversary of Chile's last free general election.

An umbrella organisation of opposition and labour groups, the Project for National Development (Proden) is organising the rally.

Authorisation for the rally was given by Sr Sergio Jarpa, Chile's new civilian Interior Minister. It is the first time in three years the regime has permitted such a gathering.

Proden was formed in January this year and is closely fied to the Democratic Alliance, a coalition of Chilean political parties.

Chilean opposition groups have not yet agreed on a fifth national day of anti-government protest for next month. The regime is planning to commemorate the 10th anniversary of the military coup which ousted Socialist president Salvador Allende on September 11.

A fifth protest near his date would raise political tension in Chile to unprecedented levels. Chilean officials apparently hope a rally on September 4 will help defuse anti-government protests before the anniversary of the coup a week later.

WORLD TRADE NEWS

Canadians win Turkish telecom contract

By Our World Trade Staff

NORTHERN TELECOM of Canada has signed a five-year contract with the Post, Telegraph and Telephone Administration of Turkey to supply advanced, fully digital telecommunications systems and components for the expansion and modernisation of the Turkish telephone system. Value of the contract is expected to exceed C$300m £160m).

The contract requires approval for financing by Canada's Export Development Corporation.

In addition to the supply contract, Northern Telecom signed a licence with Northern Electric Telekomünikasyon A.S. (Netas), owned 31 per cent by Northern Telecom, which will enable Netas to manufacture and market Northern Telecom's DMS digital switching systems for Turkey and other markets.

The contract calls for Northern Telecom, beginning in 1984, to supply three complete DMS-100 large, local telephone switching systems, and two DMS-200 large long-distance switches to the Turkish PTT. Subsequently, it will supply components for the manufacture of 2m equivalent lines of DMS-100, DMS-200, and DMS-100/200 local and long-distance switching systems.

The five initial switches to be supplied will service 70,000 telephone lines and 44,000 trunks (long-distance circuits).

AP-DJ reports from Ankara: A protocol signed with the Soviet Union calls for the expansion of a Soviet-built steel mill and more energy supply, Turkey officials report. The protocol was published in the Official Gazette this week and followed ratification by the two sides.

Under the agreement, the Soviet Union has pledged to provide equipment and expertise aimed at boosting the annual capacity of the Iskenderun iron and steel complex from its present 1m tons to 2m tons.

It targets a 4m ton annual output within a few years.

Turkish Government representatives said the first batch of expansion equipment has already reached the factory site in Iskenderun.

Iran wants guarantees of Brazil trade risks

BY ANDREW WHITLEY IN RIO DE JANEIRO

A BILATERAL trade agreement, worth an estimated $1bn next year between Brazil and Iran, is in jeopaordy because of Iran's insistence on receiving confirmed letters of credit issued by its list of 14 preferred western banks.

The Iranian demand, which follows the signing of a trade protocol between the two Governments earlier this month, places the Brazilian Government in a difficult situation, in view of the current reluctance of major western banks to take an additional Brazilian risks beyonl the scope of the country's overall debt renegotiations.

A senior Brazilian official said yesterday that a counter proposal had been made, whereby unconfirmed letters of credit issued by the state-owned Banco do Brasil would be provided. In return, Brazil is prepared to accept letters issued by the Iranian central bank, Bank Markazi, or the state-owned Bank Melli.

So far, Tehran has not responded. But the official went on to say that if this was not acceptable, Brazil had received proposals from unnamed Western Europeans banks prepared to confirm Brazilian letters of credit.

This latter option would involve higher bank charges for the Brazilian importers and might limit the amount of goods Brazil was able to buy. The protocol requires Iran to purchase $400m worth of Brazilian agricultural commodities and manufactured goods in 1984 in exchange for a Brazilian commitment to buy $800m worth of oil.

Brazilian enthusiasm for contra- or semi-barter trade arrangements with its major oil suppliers has waned in recent months, though the twin needs to boost exports and secure vital oil supplies mean that "tied" trade deals of the Iranian type are still in place with Mexico, Venezuela, Algeria and Angola.

"Barter does not fit into our machinery of government," a Finance Ministry official said yesterday, "and in the medium-term it inhibits trade."

Brazil is also seeking gradually to abolish clearing house payment arrangements with other countries, notably in the Soviet bloc. "In many cases these arrangements are a basis for the exclusion of goods or for special authorisations, which we do not like," the official said.

Gulf prepares new tanker route options

MANAMA — Oil-exporting countries of the Gulf region were reported yesterday to be exploring the feasibility of seeking alternative shipping options to counter the possibility of Iran making good its threat to block their vital tanker route.

Iran last month threatened to block Gulf oil exports through the strategic tanker lane should Iraq impair Iranian export capabilities.

AP

J. D. F. Jones in Johannesburg charts the fall of Afrikanerdom's traditional tipple

S. Africa gets hooked on souped-up scotch

ONE OF the curiosities of life in South Africa is that scotch whisky is not quite the same as elsewhere in the world—it is stronger: a minimum 43° proof.

It is also exteremely successful, having expanded its share of the local spirits market to 20 per cent, so that the republic today claims to be the world's 11th biggest consumer of the highland nectar.

The principal victim has been the local brandy, for generations Afrikanerdom's traditional tipple. Behind brandy, of course, is the South African wine farmer, who is producing a great lake of surplus and unsellable wine.

He is represented by one of the country's most influential pressure group's comprising a dozen MPs in the ruling National Party and considerable, though less visible, lobbying power inside the Afrikaner establishment.

The result of this promises to be a trade battle between Britain and South Africa. The Board of Trade and Industry has been investigating "the ability of the South African industry manufacturing wine spirits and brandy to compete successfully against imported spirits."

The British have taken the vanguard because Scotch has only recently emerged as the immediate target of the South African liquor industry. The grievances of wine and spirit exporters to South Africa had previously been shared by various of the EEC Governments.

Many of the grievances are related to the technical regulations laid down and administered by the South African Wine and Spirit Board, which operates from "Nietvoorbij" in Stellenbosch. Thus, imported spirits are required to have a minimum alcohol content of 43° proof. This has affected not only the Scotch whisky distillers, who have had to "soup up" their product destined for the republic, but also the French cognac industry, whose finer products would normally fall well below 43°.

Similarly, Nietboorbij lays down a maximum level of sugar in imported wine: the result is that fine European dessert wines like Château d'Yquem are not available here. Again, the Nietvoorbij chemists insist that imported whisky should contain a certain level of furfural (which comes from ageing in the barrel and is presumably a way of ensuring that only mature whisky qualifies). But a side result of this is that the better malt whiskies fail the furfural test, so they too are effectively banned from South Africa.

Then there are persistent complaints about irritating and apparently obstructive regulations; some importers claim it can take up to one year to get a European product on to the racks in the bottlestores.

Despite this, the importers were making inroads into a market which has its own major structural problems. The essence of these is that under the South African system all wine farmers are guaranteed the sale of their harvest, up to the level of their farm's quota, to the KWC (Society of Co-operative Winegrowers), whatever the quality of their grapes and whatever the state of the market, domestic or international.

This system has many critics, but the 7,000 wine farmers (and their 12 MPs) have no interest in changing it. The result in 1982 was a total wine crop of 856m litres, of which only 230m were used for wine.

The KWV has a wine lake with reserves reputed to be close to 400m litres, and no-one sees how it can be sold, even as industrial alcohol. Of the 1983 crop, KWV has already estimated that 45 per cent will be surplus (unsaleable on the domestic market) compared with 34 per cent last year).

In these circumstances it is not surprising that South Africans have been unmoved by the importers' tales of woe and have now turned against Scotch.

What is wrong with their local brandy, they ask. The answer is:

- its marketing image is old-fashioned;
- whisky is today the smarter drink, particularly among the Blacks (some of whom are hostile to brandy produced by the apartheid establishment);
- it is arguably not very good brandy, except for the KWV 10-year-old, which competes with cognac; and
- in recent years has lost its price advantage.

This last is the area where any trade battle will be fought. Under a Gatt regulation dating from 1947 changes in excise duty (on domestic spirits) and customs duty (on whisky) are linked, with the result that brandy, which used to be far cheaper, has been catching up fast. An ordinary bottle of brandy today costs about R7, a label Scotch about R9. The whisky men have answered that whisky pays more duty per bottle than any other alcoholic beverage: for example, total duty levied on a 750 mm of Scotch is 348 cents compared with 254 cents on brandy and 308 on cane spirits.

There is also resentment in South Africa that the ending of imperial tariff reference in 1973, which dealt a hammer blow to South African wine and sherry exports to Britain.

There appears no realistic hope, in the present political climate, of the EEC offering special terms to Pretoria.

If the Board of Trade investigation recommends more protection—tariffs, quotas or whatever—then the battle will be joined. The Scotch Whisky Association has a £25m market at stake.

There is one final irony to the issue. The KWV—representing the wine farmers' lobby—and Rembrandt—which controls the biggest brandy producer—each owns 30 per cent in Cape Wine and Distillers (CWD), whose near-monopoly domination of the liquor industry has recently been reaffirmed at Cabinet level. Yet the CWD is responsible for more than one-half of the whisky imported into South Africa. . . .

SOUTH AFRICAN SPIRITS CONSUMPTION
(m litres)

	1978	1979	1980	1981	1982
Brandy	36.5	36.5	36.3	39.8	35.7
Cane	18.8	18.6	19.4	20.1	18.5
Whisky*	12.6	13.0	12.7	14.7	16.0
Gin	3.0	4.8	6.9	9.4	8.0
Vodka	2.8	3.3	4.2	6.0	6.4

* Estimated.

Source: Cape Wine & Spirits Institute

India-Pakistan links suffer setback with trade mission ban

BY JOHN ELLIOTT IN ISLAMABAD

ATTEMPTS to improve the flow of trade between Pakistan and India have suffered a setback as a result of a virtual ban imposed by the Pakistan government on a trade mission visit from Lahore, one of the country's major industrial centres, to New Delhi.

A delegation from the Lahore Chamber of Commerce should have arrived in Delhi this week to continue a series of exchanges started last year which the Indian Government hoped would help to prove the potential for increased trade.

But the Pakistan Government withdrew its official support for the trip earlier this month, forcing its cancellation. The decision is believed to reflect the opposition of Mr Ghulam Ishaq Khan, Finance and Commerce Minister, to the improvement of trade relations between the two countries.

The move illustrates the strong differences and jealousies between the two countries, which have started trying to improve their diplomatic relations within a joint ministerial commission set up last November.

A sub-commission created to deal with trade is believed to have made virtually no progress. The cancellation of the Lahore visit underlines the economic vulnerability felt by Pakistan, which has argued that there is no point in contacts between the private sector business community until the sub-commission has completed its work.

Trade between the two countries has declined since 1978, when Pakistan refused to renew a four-year-old mutual trade agreement, arguing that the import of Indian-made engineering goods was hindering the development of its own industries. India denied this, arguing that two-thirds of its exports were raw materials and products such as cement and alloy steel.

But President Zia Ul-Haq's Government refused to change its stance and insisted that all imports from India should be routed through its state-owned trade corporation of Pakistan.

Trade slumped, so that in 1982-83, India exported only about $4m to Pakistan, some $3.5m of which was iron ore. Pakistan exported some $45m to India, including nearly $30m of pig iron, which illustrated how its stance improved its balance of trade.

Early this year, the Pakistan Government published a list of 40 items that could be imported through its trade corporation, but only tea is regarded as potentially significant, the rest of the list ranging from tamarind to fire engines.

India therefore encouraged exchanges with the Lahore Chamber of Commerce hoping this would lead to the Pakistan business community urging its Government to relax the rules.

India hopes oil production will help curb imports

BY D. P. KUMAR IN NEW DELHI

INDIA'S crude production in the current year (April 1983 to March 1984) will be more than 26m tonnes, but the demand for oil was soaring, Mr P. Shiv Shankar, Union Energy Minister, said at a meeting of the parliamentary consultative committee attached to his ministry.

He said the Government had been able to bring down imports of crude oil and petroleum products increasingly over the last two years, resulting in a substantial saving of foreign exchange. However, he said that demand in the current year was expected to be of the order of 35m to 40m tonnes.

The projected import quota of crude in 1983-84 is 7.3m tonnes, he said. The existing installed capacity in the refineries is 37.8m tonnes. This will increase to 45.5m tonnes by the end of the sixth plan in 1985. Mr Shiv Shankar said India has to develop its own resources faster to attain self-sufficiency and cut down on foreign exchange spending.

Maxwell loses acceptances in Waddington bid

BY DAVID DODWELL

JOHN WADDINGTON, the games and packaging group, seemed set yesterday to snatch victory from the jaws of defeat in its struggle to fight off a £17m bid from Mr Robert Maxwell when it revealed that it had clawed back support from shareholders accounting for 5.5 per cent of its shares.

When added to holdings worth 46.2 per cent of Waddington's shares capital which have remained solidly loyal to the company throughout the bid period, this new support gives the Leeds-based group, best known for the board game Monopoly and playing cards, an unassailable 51.7 per cent of its own shares.

The coup is a serious last minute blow to Mr Maxwell, who claimed on Wednesday that with acceptances received amounting to 47.3 per cent of Waddington's shares he was "within a whisker" of capturing control through his 75 per cent owned British Printing and Communications Corporation.

Waddington managed to persuade three major institutional shareholders to revoke acceptances of the BPCC share and cash offer. Of these, the Norwich Union held by far the largest stake, accounting for 4.4 per cent of Waddington's shares.

Insisting that he was not dispirited, Mr Maxwell said he would extend the share offer for a further two weeks. The first closing date was on Tuesday and was then extended to today.

"This is a tense and tight battle, but it is a long way from being over," he said. "We will not see the result of all this until after the bank holiday, so an extension will undoubtedly be announced on Friday."

In the Waddington camp, a spokesman said: "The process of trying to persuade shareholders not to accept the BPCC offer continues, but we feel now that we are comfortable. One doesn't like to count too many chickens, but I think we can count a few."

This last minute clawback, is reminiscent of some of the hotly-fought takeover battles of the early 1970s, but is rare nowadays. It is understood that there has been no major defection at a similar critical stage in any contest in the past eight years.

Athens group set for majority Capper stake

BY RAY MAUGHAN

ONE OF the largest civil engineering contractors in the Middle East will become the majority shareholder in Capper Neill, the loss-making plant engineering group if shareholders agree to a reconstruction of the company.

Consolidated Contractors Group, which is based in Athens and run by Mr Said Khoury and his brother-in-law, Mr Hasib Sabbagh, will inject £4.13m into Capper in return for a 58.9m per cent shareholding. It will also advance a £1.87m 10-year loan at the outset, and has an option to buy further shares at their nominal value of 10p at any time over the next 10 years.

The two banks which are supporting Capper have similar options which, if exercised, would give Midland and National Westminster an aggregate 10 per cent holding. The banks are additionally replacing £14m of overdrafts with 10-year loans

The reconstruction has been arranged after nine months of careful scrutiny of Capper's affairs by Coopers & Lybrand, the accountants. As a result of this investigation Capper has had to "re-evaluate the accounting policies followed by the group in recent years."

A "more prudent and conservative view" of the method by which Capper has treated such items as disputed contract claims, coupled with reorganisation costs and trading losses has led to a deficit after all charges of £27.4m.

Aston Martin to fund new car

By John Griffiths

ASTON MARTIN Lagonda expects to invest £5m in a new car to be positioned at the top end of the Porsche/Mercedes market in the course of the next three years.

This would represent a 25 to 30 per cent price cut compared with the cheapest model in the current range, the Aston Martin V8 which sells at £40,000.

The plan for the new model was disclosed yesterday by Mr Victor Gauntlett. The investment will be required only from Automotive Investment, the U.S. company which controls Aston Martin's North American importer, and which has taken a 55 per cent stake in AML.

The shareholding was achieved in June through the acquisition of the 50 per cent stake in AML held by Mr Gauntlett, Pace Petroleum, the independent petrol distributor, and 5 per cent of the 50 per cent holding previously taken by the public CH industrials group.

AML's intention is to launch the new car by the end of 1986. The idea is "to give a lot more people the excuse to buy an Aston Martin," said Mr Gauntlett.

At the same time he described the full extent of the industrial relations problem which has hit the Newport Pagnell-based luxury sports car maker since early this year.

Aston Martin has built only 70 cars so far in 1983, mainly because of a strike by panel beaters lasting many weeks.

It coincided with Mr Gauntlett's temporary relinquishment of his role as chief executive to concentrate on his Pace Petroleum interests. Mr Gauntlett returned to head the AML operation eight weeks ago. With the workforce back in production – with a deal which lifts maximum earnings from £170 to £225 a week – AML has resumed output at the rate of 5.5 cars a week. The breakeven level is four a week, according to Mr Gauntlett.

The company has begun recruiting further labour, and expects to maintain production at five cars a week.

● Ford, Shell, BL and Pilkington, the glass manufacturer, are among a group of 20 major industrial concerns who have joined the Government in work to developing a new plastics material for cars.

ASSEMBLY WORKERS WALK OUT OVER 5% OFFER

Vauxhall plant halted by pay strike

BY BRIAN GROOM, LABOUR STAFF

MORE THAN 1,800 assembly workers halted production at Vauxhall's Ellesmere Port car factory on Merseyside. They went on strike yesterday afternoon in protest at the company's national 5 per cent pay offer to its 15,000 hourly paid employees. This may well be an early indication of what many industrialists fear – that companies whose production levels have increased will experience a difficult pay round this autumn and winter.

Yesterday's stoppage, by members of the Transport and General Workers' Union (TGWU), halted assembly of the Astra car and van and Chevette car. Production of 152 vehicles worth £880,000 at showroom prices was lost.

Managers hoped last night that the stoppage would be only a token one, but a mass meeting is expected to be held today to discuss further moves to make the company improve its offer. Members of other unions remained at work.

The walk-out occurred after news leaked out from a two-day national negotiating session in Coventry, which ended yesterday. Vauxhall began with a 4 per cent offer, later increased to 5 per cent.

Talks were adjourned indefinitely after management refused to increase the offer. The unions are demanding a £25-a-week increase equivalent to about 20 per cent.

Some shop stewards believe they stand a chance of improving on last year's 8 per cent rise (worth 9 per cent when holiday improvements were included), but the attitude of the workforce remains to be seen.

Vauxhall has sold 182,911 cars so far this year – more than the 181,461 for the whole of last year.

Shop stewards representing the 10,000 hourly-paid workers at Luton, Beds, where the successful Cavalier is made, will meet today to decide their response to the pay offer.

Vauxhall's offer would raise the hourly rate for the top craft grade to £3.27½ pence, for the main production grade to £2.90, and the bottom grade to £2.56½. It also offered to cut the time needed to qualify for extra service related holidays, improve arrangements to protect wages when stoppages occur for reasons other than disputes, and improve pensions.

Unions are seeking a shorter working week, longer holidays and the abolition of the lowest pay scale. The settlement date is September 17.

Bank rating agency criticises Hambros on use of reserves

BY OUR BANKING CORRESPONDENT

HAMBROS BANK, the UK merchant bank which has provided more than £70m for shipping losses over the past decade, is described as having "rocketed funds in and out of hidden reserves at a remarkable rate", according to a new study of accepting house member merchant banks by IBCA, the London-based bank rating agency.

The study claims that Hambros was only able to offset its recent £40m (before tax relief) of shipping and gas write-offs by the sale of part of its stake in Hambro Life.

Hambros registered an extraordinary gain of £23.7m on the sale of Hambro Life shares in February and it is widely believed that without this share disposal the bank would have suffered a heavy loss.

The IBCA study criticises a number of merchant banks for keeping hidden reserves. This is the practice which takes advantage of an exemption granted by the 1948 Companies Act allowing them to maintain undisclosed inner reserves.

In the case of Hambros, which has never disclosed its hidden reserves, it is believed that the Hambro Life disposal just about compensated for the drain on hidden reserves last year which resulted from shipping and gas write-offs.

The IBCA study argues that "hidden reserves are merely a prop for the incompetent and cannot be justified under any rational argument." The study quotes Lord Benson, a former adviser to the Governor of the Bank of England, saying that the case for hidden reserves amounts to the proposition that "depositors are such a bunch of ninnies that the bankers are entitled to deceive them."

Mr Rupert Hambro, chairman of Hambros Bank, admitted yesterday that the bank had made extensive use of its hidden reserves in conjunction with its shipping write-offs, but said it was not the bank's intention to continue this practice.

Mr Hambro said: "We have been honest and have shown our write-downs on Norwegian tanker loans." He added that "fair use" had been made of the bank's hidden reserves.

The IBCA study singled out Hill Samuel as one merchant bank which shows profits that indicate "the true trend occurring in the bank." Hill Samuel's figures, the study claims, are "very close to the truth."

Island banks must file on solvency

BY ALAN FRIEDMAN, BANKING CORRESPONDENT

ISLE OF MAN (Manx) Government has asked 18 banks on the island to provide fully audited declarations of solvency by the end of September. The new move, which follows the failure of several banks and deposit-takers, is designed to restore confidence in the island's banking sector.

The declaration requirement, which will be handled by the Manx treasury, is aimed at all those banks which are "not quite top drawer," according to a government official.

It is understood that the requirement will be contained officially in the new Financial Supervision Bill, to be laid before the island's parliament Tynwald – in October or November.

The supervisory bill is to deal not only with banks but with all companies in the finance sector, including insurance businesses.

Last year's collapse of the Savings and Investment Bank (SIB) and the possibility that depositors will as a result lose more than £20m has shaken the island.

Manx officials claim that confidence is now returning, however, and say desposits are on the rise again. One key confidence-building measure was the appointment of Mr Jim Noakes, a former Bank of England official, as the island's first-ever Banking Supervisor last January.

Net payment to Community put at £423m

By Max Wilkinson, Economics Correspondent

BRITAIN's net contribution to the European Community budget this year is expected to be £423m according to an official statement published by the Treasury yesterday.

This net contribution compares with a figure of £616m for 1982 and £208 in 1981.

These figures include refunds paid by the Community to the UK.

UK net contribution to European Budget (£m)

	Cont.	Receipts	Net cont.
1981	2,174	1,965	208
1982	2,863	2,247	616
1983 (forecast)	2,681	2,258	423

However, the accounting is complicated by the fact that refunds are usually paid a year in arrears.

Figures for net contribution represent the funds actually transferred in a particular year, rather than the UK's contribution in relation to a particular budget.

The refund in respect of the 1982 budget was £631m and this was taken into account in calculating the net contribution for 1983. The refund agreed in July in respect of the 1983 budget was 750m ECUs (£424m).

Britain had originally asked for a refund of 1,158m ECUs in respect of this year's budget, but eventually agreed to the lower figure after tough negotiations with other Community partners.

Britoil sets date for Mid-East output

BRITOIL, the former exploration arm of state-owned British National Oil Corporation, is to begin oil production in the Middle East early in 1985.

The company, which was publicly floated by the Government on November 1, has a one-third interest in the Margham Field in Dubai now being developed at a total cost of $400m (£264m).

Peak production from the field is expected to be aboout 20,000 barrels a day, although Atlantic Richfield, Britoil's partner and field operator, is planning to drill further wells to see if the development can be extended.

So far seven wells have been sunk in Margham, which represents Britoil's first overseas development. The field contains both very light oil – termed condensate – and natural gas. It lies in a drilling concession awarded to Atlantic Richfield extending over 3,070 square kilometres, more than 75 per cent of Dubai's land area.

In the six months ended June 30 Britoil earned an operating profit of £287.2m on a turnover of £588.8m. Net profit was £53.2m.

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● SHIPOWNERS in the private sector spent nearly £300m (net of disposals) on buying new and second hand ships in 1982, compared with only £80m in 1981.

● MR DAVID STEEL, Liberal Party leader, has warned his MPs of strong opposition to moves intended to curb his powers within the party. These are due to be debated at the party's annual assembly next month.

● MRS MARGARET THATCHER, the Prime Minister, has said she is determined to bring in sweeping changes in trade union law, with legislation every alternate year of the present Parliament. In an interview in the latest edition of the magazine, The Director, she pledges to be "a radical Prime Minister for my second term, because I am radically right."

● FIRE DAMAGE costs in Britain continue at a high level. In July the bill amounted to £46.1m, the highest July total for more than three years. Total fire damage costs over seven months of this year amount to £385.7m (£237.2m last year).

Heavy cuts sought in surplus ship's pilotage

BY BRIAN GROOM, LABOUR STAFF

TALKS WILL begin next month on a proposal to persuade 600 of Britain's 1,457 self-employed ship's pilots – more than 40 per cent of the total – to retire early in return for compensation payments which could average £57,000.

It is the latest and most critical attempt to resolve a long-running wrangle over the high cost – £43.5m last year – which British and foreign shipowners pay for pilotage services in the UK.

The compensation scheme is proposed in an interim report prepared for the Government by Samuel Montagu, the merchant bank. It aims to deal with a surplus of pilots created by a decline in trade, higher productivity, and moves to allow ship's masters from other EEC countries to pilot their own ships in certain circumstances.

The independent Pilotage Commission plans to hold talks with the Association of Pilotage Authorities, the General Council of British Shipping, the British Ports Association and the two pilot organisations – the UK Pilots Association and the Transport and General Workers' Union.

It will then have the delicate task of reconciling shipowners' urgent pleas to cut pilotage costs with the pilots' desire to safeguard their interests.

The commission is cautious about its chances of resolving a problem which has become pressing over the past three years. But there is a widespread feeling that the time is approaching when a decision must be reached.

Samuel Montagu suggested the 600 figure to test the true extent of the pilot surplus, for which no authoritative estimate exists. The offer would be open for a year, and would provide payments spread over seven years, with the £41m cost funded over the same period by shipowners.

The value in 1983 money of the offer to pilots would consist of a pension top-up giving those aged 55-plus full service credits up to normal retirement age, amounting on average to about £31,200 each; and a cash capital sum of about £26,400 per pilot (subject to reduction in certain cases). In practice, the payments would vary widely.

Remaining pilots would receive half a 36 per cent increase in recommended earnings proposed in a national agreement reached with shipowners in 1980, but never implemented. Earnings vary considerably, but those of a pilot earning £14,920 in 1983 would rise to £17,590.

High port charges damaging exports, says British Steel

BY OUR INDUSTRIAL STAFF

BRITAIN is losing export sales because of the high cost of handling ships in the country's ports, the British Steel Corporation claimed yesterday.

Charges in UK ports are often double those levied in continental European harbours, the corporation said.

Citing examples based on the cost of turning round a vessel carrying 25,000 tonnes of cargo, the BSC claimed that such a ship would be charged more than £43,000 ($65,350) in Newport, South Wales, compared with about £11,000 in Rotterdam.

Freight rates on a steel shipment to Mexico, for example, may have to be $30 a tonne higher from a UK port than from Antwerp because of these higher charges.

"Obviously, we lose a lot of business because of this," Mr Frank Holloway, the corporation's managing director of supplies and transport, said. He did not cite specific cases.

COMPARATIVE PORT CHARGES* (£)

	Newport (Wales)	Rotterdam	Hamburg
Port dues	27,867	2,858	2,767
Other dues	699	121	268
Light dues	3,562	—	—
Pilotage	3,155	2,665	2,830
Towage	6,075	2,350	4,857
Boatmen	449	370	753
Agency	1,581	2,403	2,403
Total	43,388	10,767	13,478

* Based on turnround charges for vessel of 25,000-tonnes cargo capacity

Source: British Steel

Mr Holloway said BSC made regular representations to the UK Government, the British Shippers' Council and the Confederation of British Industries, the employers' organization, but was not making much progress.

The problem of port charges was more important to BSC than most British exporters because its products tended to have a greater weight in comparison with their value.

Mr Holloway was also concerned that the gap between British and Continental port charges was widening. He said British port charges rose 7 per cent last year while Continental rates were unchanged.

Continental ports benefit from government financial assistance on infrastructure, capital and dredging costs, whereas the British ports have to pay for those items on their own and pass the costs on to port users.

Middle managers' jobs at high risk

By Our Industrial Staff

MIDDLE MANAGERS hold the most risk-prone jobs in British business. They are being regularly and increasingly "mugged" by the combined forces of recession and new technology, according to a leading company of headhunters.

"The ranks of these people have been savaged, and they are not going to be replaced," according to Mr Robert Arkle, chairman of Robert Lee International.

Specialists tend to suffer most. "In some companies, to have the word 'planner' or 'co-ordinator' in your job title is almost an invitation to get the axe," Mr Arkle adds.

The company's latest client survey shows that the growth of the electronic office plus the effects of the recession has acted as a catalyst in the "mugging" of the middle manager.

People most affected are those earning between £8,000 and £20,000 a year.

The thinning of their ranks also implies that promotion prospects will be much fewer.

"Moves will more and more be sideways, and prospects of reaching the top much more limited," Mr Arkle says. Promotion is likely to be less frequent and regular pay rises "fond memories."

He argues that senior managers have gradually discovered that they can plug into a computer from their own desks and obtain comprehensive information more cheaply, and more quickly than from the layers of middle management.

"The real bosses liked the idea of getting their information un-sanitised," he says.

Department heads in other areas such as personnel, sales and marketing could also get their information directly from a data base without going through middle managers.

The desperate need to reduce costs has prompted senior management to look closely at the structure of their business.

John Brown faces a long haul

Ian Rodger looks at the implications of a collapsed deal with Hawker Siddeley

THE BREAKDOWN of negotiations aimed at the sale of John Brown's gas turbine division to Hawker Siddeley probably condemns the financially stretched Brown group to a long, dull period of slow rehabilitation.

Some analysts have even suggested that receivership would provide a quicker and perhaps more constructive solution to the group's problems.

But after the condemnation of Midland Bank for putting Stone-Platt Industries into receivership early last year, the banks are understandably reluctant to precipitate bankruptcies of other major industrial companies.

Sir John Cuckney, who replaced Sir John Mayhew-Sanders as John Brown chairman last month, indicated this week that the group still had the support of its bankers to take time this to find other ways of reducing its huge debts.

The decline in John Brown's fortunes has been rapid. Early in 1979, the former Clydeside shipbuilder had net cash balances of £22m. It then made three major U.S. acquisitions over the next three years at a total cost of $150m, with most of the money being financed through dollar borrowings.

The acquired companies were in petrochemical plant construction, textile and plastics machinery and machine tools all sectors that were hard hit by the sharp downturn in the U.S. economy early in 1982.

Meanwhile, most of the group's UK businesses were also suffering from recession, and so overall profits collapsed while borrowings and interest charges soared.

By March this year, net borrowings stood at £105.4m, 125 per cent of shareholders' funds, and the group made clear that it was looking for disposals to bring its borrowings down quickly.

The gas turbine division was an obvious choice because it was fairly large and profitable. Its sale might reduce group borrowings at a stroke by some £30m.

It was also unrelated to the group's other activities, and Brown thought it might be of interest to UK companies, such as GEC, Northern Engineering Industries, or Hawker Siddeley, which had major power engineering businesses. In late May, this year it became known that Brown was negotiating with Hawker.

The negotiations dragged on for over two months, but they appeared to be nearing a successful conclusion two weeks ago when officials from both groups went to Clydebank to warn the workforce of impending redundancies and other implications of the deal.

Neither Hawker nor John Brown is saying why the negotiations collapsed this week. A Hawker spokesman would say only that "no mutually acceptable formula could be found."

Certainly, the latest results of the gas turbine division, published two weeks ago, were unimpressive. It made only £1.3m profit on £112m in sales. Five years ago, the division made £10.1m on £80m turnover.

But results were hampered by the holdups in delivering turbines for the Soviet Union's gas pipeline last year, because of the U.S embargo on technology exports in protest at the occupation of Afghanistan. Sir John Cuckney is confident profits will move ahead rapaidly in the next two years.

Hawker, however, was sceptical about the prospects for new orders, and its view was reinforced early this week with the publication of a forecast of a 32 per cent drop in world gas turbine markets over the next four years.

Gas turbines are used to generate electricity and to drive industrial machines, such as compressors and pumps, often on oil and gas pipelines. Both these markets have weakened during recession.

Gas turbines have become less competitive as a means of generating electricity because of the big increase in fuel costs since the early 1970s. The one growth market is in applications where the waste heat from the turbine can be used as well as the power, but this is still relatively small.

Hawker's initial interest in John Brown's turbine division was based on the desire to protect a significant market for its alternators. Hawker may now feel that the new management at John Brown is less likely to sell the division to someone else.

There were probably other problems in the negotiations. The John Brown turbine business is one of many so-called manufacturing associates of General Electric of the U.S. This means it uses GE's technology and has to buy certain key components for the turbines from GE.

Hawker, which has a subsidiary that makes turbine blades, would probably prefer to be more self-sufficient than GE would allow.

Sir John Cuckney has said John Brown now favoured some smaller disposals; and sales and leasebacks as a way of reducing its borrowings.

Among the possible candidates might be Crawford and Russell, the U.S. petrochemical and pharmaceutical plant construction business acquired in 1979 for $25.3m.

In his annual statement, the chairman said the basic polymers segment had a difficult year, but the demand for high duty speciality polymers was increasing quite rapidly.

Other potential sellers might include the Leesona textile and plastic machinery business in the U.S. acquired in 1980 for $80m. But this business has been losing money heavily.

The Cravan Tasker trailer manufacturing business in the UK is suffering from the recession, but the group claims it has raised its market share from 14 per cent to 24 per cent in the past year.

Firth Brown Stainless, a stainless steel stockholding business in Canada, and Firth Brown Tools in Sheffield may be considered peripheral to the group's main interests.

Whatever happens, Sir John believes the repair process at John Brown could take a long time. And investors obviously agree with him.

Fewer workers in closed shops

By John Lloyd, Labour Editor

A SIGNIFICANT fall in the number of workers organised in closed shops (compulsory trade union membership within a company) is highlighted in a major survey of union agreements.

The research shows that membership of closed shops was down from a peak of at least 5.2m in 1978 to about 4.5m in 1982 – a 13 per cent drop.

The recently completed survey was originally commissioned five years ago by the Department of Employment from Professor John Gennard, who is now professor of industrial relations at Strathclyde University, Glasgow.

His work on developments in the last few years, and his forecasts for the future draw on this survey but are not part of the report submitted to the department. Both the report and the separate study will be published in the new year.

The fall, according to Prof Gennard, is due to relatively high unemployment in traditional manufacturing sectors – such as vehicles, mechanical engineering and shipbuilding – where the closed shop has traditionally been strong.

He points to a "dramatic," slowing in the spread of closed shop activity since the late 1970s.

"Of well over 2,000 closed shop agreements recorded during our research, 33 per cent were concluded in 1978, only 5 per cent in 1979 and 2 per cent in the first half of 1980."

Employer resistance to the closed shop had been bolstered by the 1980 and 1982 Employment Acts, which raised hurdles to forming or maintaining a closed shop, while making it easier for an individual to leave one.

"We feel confident that... economic conditions are likely to bolster employer opposition in the 1980s, and that the unions are unlikely to be able to muster enough support to overcome it, especially as the 1980 Act required massive popular support before a new closed shop became legally defensible," Prof Gennard says.

"Indeed, available evidence suggests that, confronted with more pressing matters of concern to their members, the unions have ceased to accord the closed shop a high priority."

A provision in the 1982 Act that a closed shop must achieve 80 to 85 per cent approval if dismissal for non-membership is not to be deemed unfair, is seen as unpredictable, but possibly damaging in its effects. This clause will not come into operation until 1984.

The research shows that since the 1980 Act widened the grounds on which a member could leave a union closed shop, only three cases have come before industrial tribunals – and all had been dismissed. However, the 1982 Act's provisions "may cause management to think seriously about allowing their closed shops to lapse, especially if there is a major managerial reappraisal of the role of trade unions in their enterprises.

The report adds that while polls show "substantial hostility to the closed shop, workers may act in defence of it where they feel it to be of benefit during an industrial dispute.

British Association for the Advancement of Science

The case against robots

BY DAVID FISHLOCK, SCIENCE EDITOR

THE CASE for retaining people and their skills in factories of the future, through the development of skill-enhancing software, rather than the pursuit of the idea of unmanned factories was argued by Professor Howard H. Rosenbrock before the British Association's annual conference at the University of Sussex yesterday.

Prof Rosenbrock, professor of control engineering at the University of Manchester Institute of Science and Technology (UMIST), said it was possible to make an economic and technological case for the "appropriate use" of people and machines. "One can at the same time design the human activities in a way that respects the expectations and skills and abilities which people bring to their work."

He believed society's aim should be to make these skills and abilities "more productive by designing a system that accepts and collaborates with them."

And it should be a system that allowed skills to evolve with the technology and not to become fossilised.

But Prof Rosenbrock admitted that such a course at present was arousing "no great interest or enthusiasm." With few exceptions, technology was being developed "in a spirit that has remained unchanged for 150 years or more," despite the fact that present technology offered unparalleled power and flexibility and great freedom of choice in the way it was used.

Neither was there any evidence that a socialist approach saw things differently. "To persuade engineers from a socialist state that machines should be subordinate to people is at least as difficult as to persuade engineers from most Western European countries or the U.S."

The fundamental question society faced was whether it believed there was something which humans would always do better than machines; whether man's ability to construct machines was inherently limited. At present, he said, many scientists and technologists held that the answer is no in each case, that there was "no place in the long run for human ability in any process by which goods and services are produced."

Doctors had been able to prevent technology from displacing their skills even when the computer had been given substantial powers of diagnosis, Professor J. Child of the Technology Policy Unit at Aston University told the meeting.

In contrast, technology was displaying human skills in such areas as cash transactions in banks and the retailing of standard, repeat purchases. As a result, it had taken away many of the satisfying elements in jobs, he said.

His unit compared the way micro-electronics was affecting the quality of service provided in hospitals, banks and retailing, and found marked differences between them. The researchers attributed these differences to "their organisation, their ethos, and the conditions which inhibit or encourage joint regulation of the workplace by managerial or other groups."

Hospital organisation was heavily influenced by "the monopoly of key tasks held by doctors, and after them by a hierarchy of para-medical staff." New technology in hospitals still tended to be localised and decentralised.

Banks, like hospitals, had developed an elitist culture "though based on a paternalistic encouragement of loyalty to the bank as a community of which the bank manager has been a stereotypical pillar." Bank automation had been centrally planned "in keeping with the character of bureaucratic centralism."

Retailing had "an entrepreneurial ethos set in the context of severe competition," the researchers found. "Any resistance to technological change in retailing is likely to take the form of an individual protest or withdrawal from the organisation rather than collective action. As they saw it, introduction of new technology in retailing "will be at the behest of top management, with only limited concern for the quality of employment and with little organised opposition."

Why retailers fear soaring debt losses

BY CARLA RAPOPORT

BRITAIN'S multi-billion-pound credit industry is crying foul over proposed court cutbacks which it says will severely hamper its ability to collect bad debts.

Major retailers, finance houses and credit trade associations across the country are now stepping up a campaign aimed at Government officials and MPs in an effort to prevent the cuts, or at least scale them back. These business groups are already predicting bad debt losses amounting to millions of pounds if the cuts are carried out.

The problem has arisen over a planned reduction in the number of bailiffs in the county courts. The Lord Chancellor's Department, which oversees all courts except the magistrates, intends to cut the number of bailiffs by 300, about 30 per cent, in order to comply with the Government's policy of reducing the number of those employed by the Civil Service.

In a written parliamentary answer last month, the Lord Chancellor pointed out that the caseload in the county courts had increased by 38 per cent in the last four years. In order to maintain standards, keep delays to a minimum and still comply with Government's wish to cut back the Civil Service, he stated that economies would have to be made among those working in less important fields.

As a result, the department has recommended that the minimum amount a creditor could sue for enforcement through the county courts would be raised from £15 to £50. This procedure is known as a part warrant and is used extensively by the UK credit industry for the collection of bad debts.

According to Mr Bill Cox, joint managing director of Welbeck Finance, one of Britain's larger finance houses, whose major client is Debenhams, the retailer, some £400,000 of its debts would be placed at risk by the cuts. The Burton Group, a UK clothing retailer, gave a similar amount in its representations of potential losses to the Lord Chancellor's Department.

The Co-op Bank, which handles the credit operations for Britain's Co-op stores, said yesterday that the moves would probably result in increased service charges to customers.

Institutions also predict tighter credit for individual consumers and possibly the establishment of a new, independent register of credit histories of individual consumers. "No one likes to talk about black lists, but we will have the need for more credit information if the courts cannot provide it," said a director of one finance house.

Companies are particularly upset with the lack of consultation by the Lord Chancellor's Department about the changes. The United Association for the Protection of Trade (UAPT), a non-profit credit information agency, said it paid about £300,000 a year for the credit information supplied by the county courts but would have been willing to pay more if asked by Government.

The use of credit has risen substantially over the last five years, particularly among finance houses and mail order companies. In addition, widespread unemployment has led to a jump in the number of bad debts that these companies are chasing. One major retailer said at present it was suing 2,700 customers for a total of £800,000, compared with 2,300 customers with a total of £507,000 at this time last year.

These companies point out that if the courts no longer record judgements against individuals owing less than £50, these same individuals would be able to obtain larger sums of credit from another store.

Shoplifting offences up last year

Financial Times Reporter

MORE THAN 240,000 shoplifters and light-fingered staff were caught in shops in England and Wales last year.

While the detection rate seems to be improving, a new Home Office report says many more offences are thought to go unnoticed.

Last year's detection rate of 242,300 offences of shop theft compares with 225,342 logged in 1981 and 206,175 the previous year.

The report also warns of an increase in the incidence of organised shoplifting by gangs prepared to use violence if caught. This "very disturbing trend" should be countered by deterrent sentences, it says.

A survey of more than 2,500 retailers shows that most shopkeepers are following theft prevention recommendations proposed in an earlier Home Office report.

The new study urges the trade to pay special attention to staff training, stock control and theft by staff.

Some retailers are reported as saying that their own workers steal more than shoppers.

Bigger retailers have proved to be more security conscious than small businesses, whose reliance on part-time untrained staff at peak times gives thieves greater opportunities.

The Home Office suggests that more publicity on prevention should be directed at smaller retailers, possibly through trade associations. It also calls for a common standard of training for store detectives and will consult the industry on the introduction of a code of practice.

Shoplifting and thefts by shop staff. HMSO, Price £2.75.

THE ARTS

Music

Los Angeles season

PARIS

Wurzburg Cathedral Choir conducted by Siegfried Koesler: Lassus, Schutz, Mendelssohn, Bruckner (Mon 6.30 pm) St-Louis en l'Ile church.

Orchestre des Jeunes conducted by Jean-Mare Cochereau: Debussy, Strauss, Moussorgsky (Mon 8.30 pm) Law Faculty Assas.

One hour with Bartok by Alain Planes, piano (Tue 6.30 pm) Townhall of the 5th Arrondissement.

Orlando Quartet: Mozart, Stravinsky, Alfred Schnittke, Brahms (Wed 6.30 pm) Theatre à Dejazet, 41 bd du Temple, Metro Republique.

Orlando Quartet: Haydn's Les Sept dernières paroles de Christ", Jean Negroni reciting (Thur 8.30 pm) St-Severin church.

All these concerts are taking place in the framework of the Festival Estival de Paris, tel: 271 5700; sale of tickets Mon to Sat 11 am to 7 pm: 14, rue François Miron, Metro Hotel de Ville, tel: 271 5700 and Bateaux-Mouches – Port de la Conférence, Pont de l'Alma Rive Droite; Metro Alma, tel.: 225 2255.

NEW YORK

New York Choral Society: Robert de-Cormier conducts the New York Choral Society in a summer-season grand finale of Verdi's Requiem (Tue). CAMI Hall, 57th & 7th Av (873 0098).

The Los Angeles Philharmonic's season from October 6 to April 28 is the most extensive in the orchestra's 65-year history.

Carlo Maria Giulini, marking his sixth and final season as music director, and principal-guest conductors Simon Rattle and Michael Tilson Thomas, will be joined by six guest conductors – Herbert Blomstedt, Andrew Davis, Erich Leinsdorf, Günther Herbig, Kurt Sanderling and John Williams.

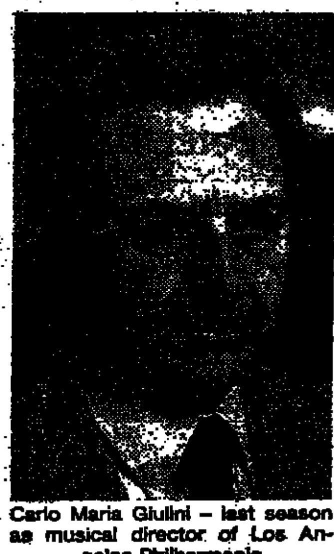
The music ranges from Bach, Mozart and Beethoven through 19th century Romantic masterworks to such diverse 20th-century composers as John Williams (who will conduct the West Coast premiere of his Violin Concerto), Leonard Bernstein, David Del Tredici, Janacek, Prokofiev and Stravinsky.

Major works to be conducted by Giulini include Mahler's Das Lied von der Erde, Brahms's fourth symphony and Bruckner's eighth.

Simon Rattle's four concerts will feature the West Coast premiere of Witold Lutoslawski's Concerto for Oboe and Harp, Mahler's first symphony, Rachmaninov's second symphony, Debussy's La Mer and Mozart's C-minor Mass.

Michael Tilson Thomas conducts the first Los Angeles Music Center performances of Del Tredici's Adventures Underground. His four concerts also include Stravinsky's complete Firebird and Mahler's sixth symphony.

Soloists include pianists Alfred Brendel, Radu Lupu and Murray Perahia; violinists Ida Haendel and Itzhak Perlman; cellist Lyn Harrell; oboist Heinz Holliger and singers Jon Vickers, Thomas Allen, and David Thomas.



Carlo Maria Giulini – last season as musical director of Los Angeles Philharmonic

Bonn Beethoven Festival

The autumn cycle of Bonn's Beethoven Festival from September 11 to 28 has been saved after fire damaged the Beethoven Hall, the only concert hall large enough to house the event. It will now take place in a tent not far from the site. All the orchestras and soloists scheduled to appear support this plan. Thus, the Vienna Philharmonic under Lorin Maazel, the Concertgebouw orchestra, Amsterdam, under Bernard Haitink, l'Orchestre de Paris under Daniel Barenboim, pianists Michel Beroff, Jorge Bolet, Alfred Brendel and Radu Lupu, will play Beethoven, Liszt, Bartok, Bruckner, Shostakovitch, Schoenberg, Prokofiev and Debussy in a tent – certainly a novelty in the history of music.

Theatre

LONDON

The Sleeping Prince (Chichester): Rattigan's Coronation showpiece, very pretty to look at, with appropriately starry playing by Omar Sharif as a Balkan Grand Duke, Debbie Edwards as his American show-girl mistress and Judy Campbell as his handsomely eccentric wife. Peter Coe's direction is for entertainment and achieves it.

The Rivals (Olivier): Splendid National Theatre revival, cunningly designed by John Gunter to place us in the middle of 18th century Bath. Geraldine McEwan takes a fresh, inquisitive look at Mrs Malaprop, Michael Hordern is an unrivalled Sir Anthony. Peter Wood directs. (928 2252).

Blood Brothers (Lyric): Strong rock melodrama by Willy Russell about Liverpool twins separated at birth. Pop star Barbara Dickson, very like a young Gracie Fields, is superb as their grief-wracked mother. (437 3686).

The Roaring Girl (Barbican): Jacobean comedy by Middleton and Dekker with Helen Mirren as the eponymous vagabond in a spirited production by Barry Kyle now playing in tandem with last year's The Taming of the Shrew from Stratford-upon-Avon. (628 8795).

Daisy Pulls It Off (Globe): Enjoyable romp derived from the world of Angela Brazil novels: gym slips, hockey sticks, a clifftop rescue, stout moral conclusion and a rousing school hymn. Spiffing if you're in that sort of mood. (437 1592).

A Map of the World (Lyttelton): Brilliant new play by David Hare, set in a luxury Bombay hotel where a Unesco conference on world poverty has been convened. Chill, meticulous production by the author has strong performances from Roshan Seth (Nehru in the film Gandhi) as an Indian novelist, Bill Nighy as a journalist and Diana Quick as the actress in the middle of an ideological showdown. (928 2252).

Noises Off (Savoy): The funniest play for years in London, now with an improved third act and a top-class replacement cast. Michael Blakemore's brilliant direction of backstage shenanigans on tour with a third-rate farce is a key factor. (836 8888).

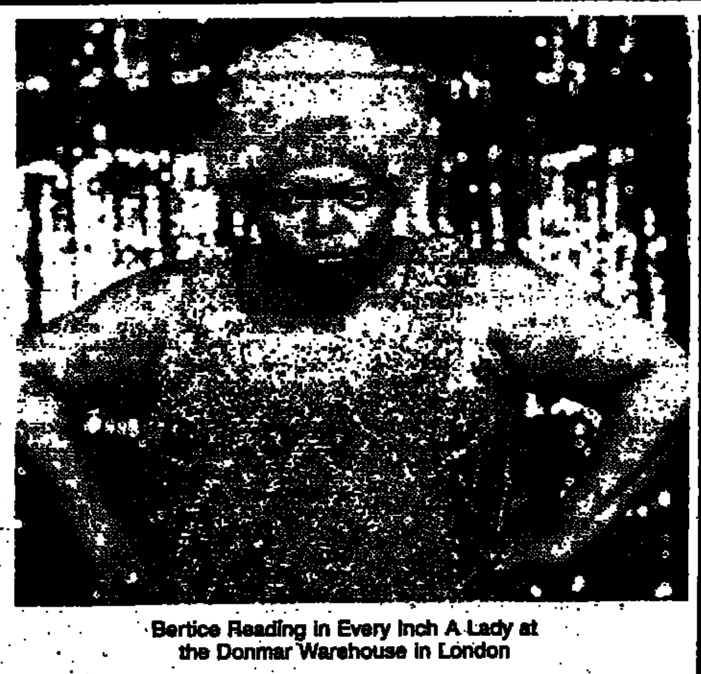
The Real Thing (Strand): Fascinating, enjoyable new Tom Stoppard play which examines a playwright's attitudes to work, music and love in characteristically well-written, complex vein. A tone of serious levity is well struck in Peter Wood's production and the performances of Roger Rees and Felicity Kendal. (836 2660/4143).

The Pirates of Penzance (Drury Lane): Riotously vulgar Broadway import that sits Gilbert and Sullivan on a whoopee cushion. (836 8108).

NEW YORK

Night Mother (Golden): Marsha Norman's harrowing drama of a young woman's last hours before committing suicide in her mother's home makes for the intellectuals' form of sensationalism, with powerful acting by Kathy Bates and Anne Pitoniak, directed by Tom Moore. (239 6200).

42nd Street (Majestic): An immodest celebration of the heyday of Broadway in the '30s incorporates gems from the original film like Shuffle Off To Buffalo with the appropriately brash and leggy hoofing by a large chorus line. (977 9020).



Bertice Reading in Every Inch A Lady at the Donmar Warehouse in London

Torch Song Trilogy (Helen Hayes): Harvey Fierstein's ebullient and touching story of a drag queen from backstage to loneliness incorporates all the wild hystrionics in between, down to the confrontation with his doting Jewish mother. (944 9450).

Dreamgirls (Imperial): Michael Bennett's latest musical has now become a stalwart Broadway presence despite the forced effort to recreate the career of a 1960s female pop group, a la Supremes, without the quality of their music. (239 6200).

The Corn is Green (Lunt-Fontanne): Emlyn Williams' 1940 comedy about a middle-aged spinster who goes to Wales to start a school is the second offering of Elizabeth Taylor's new repertory company, which, without a role for Miss Taylor has a cast led by Cicely Tyson, directed by Vivian Matalon. (875 9200).

Amadeus (Broadhurst): David Dukes stars as Salieri in the award-bedecked and elegant National Theatre production of Mozart's life. (247 0472).

Agnes of God (Music Box): The fiery trio of Geraldine Page, Diahann Carroll and Lily Knight enliven a somewhat over-written clash of ideologies. (246 4636).

Nine (46th St): Two dozen women surround Sergio Franchi in this Tony-award winning musical version of the Fellini film 8½ which like the original celebrates creativity, here as a series of Tommy Tune's exciting scenes. (246 0246).

Cats (Winter Garden): Director Trevor Nunn, fresh from the Broadway success of Nicholas Nickleby, has his imaginative and frisky cats slink, slide and dance their way across a transfigured stage in this lavish re-creation of the London hit. (239 6262).

Extremities (West Side Arts, 43rd W. of 9th Av.): The realistic portrayal of sadistic rape, with which the play opens, makes for uncomfortable but rich drama, and author William Mastrosimone manages to maintain high energy levels to challenge an excellent cast. (541 8394).

On Your Toes (Virginia): Galina Panova with presumably a genuine Russian accent leads an exuberant cast in the remake of Rogers and Hart's 1936 sendup of Russian ballet tours, complete with Slaughter on Tenth Avenue choreographed by George Balanchine and directed, like the original, by George Abbott. (977 9370).

Brighton Beach Memoirs (Neil Simon): If he wasn't sure before, playwright Neil Simon can expect a long run of his funny as well as touching childhood reminiscence now that the Nederlander organization generously decided to name the theatre after the generation's outstanding box office draw. (757 8646).

WASHINGTON

Wind in the Willows (Folger): Composer William Perry and lyricist Roger McGough chose a wonderful old chestnut to turn into a musical to add a new generation's appreciation of Ratty, Mole, Badger and Toad of Toad Hall. Ends Sept 18 (547 3230).

Private Lives (Opera House): Elizabeth Taylor and Richard Burton bring their version of Noel Coward to Washington, where one hopes the presence of another of the leading lady's husbands (he's a U.S. Senator) will inspire some liveliness in a cast that seemed in New York to embalm the play rather than re-create it. Ends Sept 4. Kennedy Center (254 3770).

American Buffalo (Terrace): Al Pacino's humane and lively performance gives a wholly new and fresh look to David Mamet's bemused version of American low life with larceny in its heart, as directed by Arvin Brown of the Long Wharf Theater. Ends Sept 25. Kennedy Center (254 9895).

CHICAGO

Flash in the Pan (Theatre Building): The inaugural offering in Paramount Pictures' venture in supporting the Apollo Group's new-play series uses music to retell Grimm fairy tales. The writers-performers are veteran nightclub artists, Denise De Clue, Jeff Berkson and John Karraker. 1225 W. Belmont (327 5252).

The Dining Room (Goodman, 200 S. Columbus Dr.): A. R. Gurney Jnr's vision is confined by four walls, the four walls of a middle-class New England family as it changes with its inhabitants. (443 3800).

E. R. (Organic, 3319 N. Clark): This hit-and-miss local company has a long-running success with an earnest parody of hospital-based melodramas, starring Gary Houston as an ambitious young doctor, Shuko Akune as the receptionist and Lily Monkus as the authoritarian nurse. (327 5588).

Opera and Ballet

LONDON

English National Opera: Coliseum: the season opens with two ENO successes of the recent season – Anthony Besch's handsome Cavaliers-and-Roundheads production of Don Giovanni – alongside Richard Van Allan, familiar in the title role, there are some interesting new casting ideas: Norman Bailey's first London Leporello, Suzanne Murphy as Anna, Marie Slorach as Elvira, Adrian Martin as Ottavio – and the now world-famous Jonathan Miller version of Rigoletto, Verdi transmuted into a 1950s New York Mafia melodrama, with Mark Elder conducting, John Rawnsley and Arthur Davies as hunchback-bartender and "Duke", and a new Gilda in Helen Field. (836 3161).

Royal Opera House, Covent Garden: The New York City Ballet shows the finest classical dancing in the Western world with matinees on Wednesday and Saturday. Essential viewing. (240 1066).

WEST GERMANY

Berlin Deutsche Oper: Carmen is perfectly cast with Pilar Lorengar and Jose Carreras in the main roles. Aida convinces through Julia Varady's brilliant soprano in the leading role.

Richard Van Allan in Don Giovanni at the Coliseum in London

Lucia di Lammermoor, sung in Italian, is conducted by Carlo Franci. Faust's Verdammung benefits from Kenneth Riegel in the title role.

Hamburg Staatsoper: Madame Butterfly has Eugenia Moldoveanu and Erenesto Veronelli.

Frankfurt Opera: Madame Butterfly, with June Gard and Seppo Ruohonen. Tosca, conducted by the young american Judith Somoghi, stars Galina Savova. Manon Lescaut, with a cast headed by Nelly Miricioiu, was revived triumphantly last season. Further performances are The Magic Flute and Der Wildschütz.

Berlin Opera: Ballet: Eine Volkssage, a German premiere, choreographed by Peter Schaufuss, is danced to music by Niels Wilhelm Gade and Johan Peter Hartmann. Soloists are Eva Evdokomova and Peter Schaufuss.

NEW YORK

New York City Opera: At Press time, the musicians strike continues, cancelling scheduled performances of The Magic Flute, Tosca, Madame Butterfly, The Mikado and La Rondine, but worth checking (assuming the phone company's strike allows). New York State Theater, Lincoln Center (870 5570).

CHICAGO

Hubbard Street Dance Company: A Chicago favourite combines classical training with Broadway-style choreography in an exuberant all-American mixed programme, ending this week. Ravinia Festival, Highland Park (433 8800).

Arts Week

F	S	Su	M	Tu	W	Th
26	27	28	29	30	31	1

Exhibitions

PARIS

Murillo in the Museums of France. In one of its excellent didactic exhibitions the Louvre has assembled, to mark the 300th anniversary of the artist's death, his paintings and drawings – among them the Young Beggar – from French public collections. Plans, photographs and engravings help us to situate the Sevillan artist in the context of his times. Closed Tue, ends October 24th, Louvre, Pavillon de Flore (260 3926).

Magritte and the Advertisers. An exhibition which could also be called "a la manière de..." because – apart from some of Magritte's own creations – so many of the posters show how advertising designers adopted the Belgian surrealist's symbolic yet simple pictorial language. Musée de l'Affiche et de la Publicité, 18 rue du Paradis. 12 am to 6 pm, closed Tue, ends Sept 11.

Exotic Flora and Fauna in art from the 17th century to the first half of the 20th century. Louvre des Antiquaires, 2 Place Palais Royal (297 2700), 11 am till 7 pm. Ends Sept 25.

WEST GERMANY

Hildesheim, Römer- und Pelizaeus-Museum, am Steine: The only German venue of Art Treasures from Ancient Nigeria with 100 exhibits bearing witness to the oldest African cultures from 500 BC to 1900 AD. Ends Oct 23.

Frankfurt, Kunstverein, 44 Markt: The first big exhibition of Markus Rätz with roughly 100 installations and drawings by the Swiss painters and object artist. Ends Sept 25.

Munich, Haus der Kunst: The Theo Wormland Legacy is a collection of works by Max Ernst, Magritte, Poliakoff, Antes, Botero, Goller, Rohlfs, Nolde, Jawlensky and other classical modern painters, many of whom were banned by the Nazis. Wormland, an entrepreneur, left most of the pictures he had collected to the Munich Museum, and Hanover's Kunstmuseum received the rest. Ends Sept 11.

Munich, Haus der Kunst, 1 Prinzregentenstrasse: the "Great Arts Exhibition – Munich 1983" has paintings, sculptures and graphics from the last two years by 500 artists living in West Germany. Ends Sept 18.

Nuremberg, Germanisches Nationalmuseum, 1 Kornmarkt: A documentation with 600 pictures and sculptures at the occasion of Martin Luther, the great reformer's 500th birthday. Ends Sept 25.

ITALY

Venice, Cantieri Navala all a Giudecca. Works by Burri. Ends Sept 30.

NEW YORK

Henry Moore (Metropolitan Museum of Art): The first major retrospective in America for nearly 40 years includes drawing, carving in wood and stone as well as sculptures large and small in one of the highpoints of the Britain Salutes New York celebration. Ends Sept. 25th.

WASHINGTON

National Gallery: With the recent death of American art patron, John Hay Whitney, his outstanding collection of French impressionists and their successors is on view before dispersal to various museums. Ends October 2.

HOLLAND

Stedelijk Museum, Amsterdam: Modern art from the impressionists of today until the end of the month. There is a similar exhibition at the Boymans Museum, Rotterdam, until September 18.

Allerd Pierson Museum, Amsterdam: Artistic fakes, including paintings, sculpture and porcelain, brought together by students, with examples of a number of expert forgeries which made their manufacturers considerable sums of money.

Gemeente Museum, The Hague: The Hague School including masterpieces by the Maris brothers, Israel and Breitner. Ends Oct. 30.

Ryuichi Sakamoto as Captain Yonoi: enslaved to superhuman notions

Cinema/Nigel Andrews

Men of war

Merry Christmas, Mr Lawrence, directed by Nagisa Oshima

Blue Thunder, directed by John Badham

The Lords of Discipline, directed by Franc Roddam

Back in the 1950s, when such things were last fashionable, there were two kinds of Japanese PoW-camp movie. In one, much maniacal Oriental gurgling from sadistic Commandants accompanied cheap budgets, skimpy dialogue and as much steamy sado-masochistic prurience as the '50s could muster. This was the cinema of *Camp on Blood Island.* The other kind of film, exemplified by *The Bridge on The River Kwai,* was more elevated; showin us the high noon of the British stiff upper lip, where potty English colonels refused to be cowed by politely barbarous Japanese and where the philosophic message was that war makes madmen (sometimes indistinguishable from heroes) of us all.

Nagisa Oshima's *Merry Christmas Mr Lawrence* flies high and clear of both conventions. It isn't concerned with either orthodox heroism or orthodox bloodlust. We are in a PoW camp in Java in 1942, where the raggedy but resilient Allied prisoners live under the knuckle of a handsome young Commandant (Ryuichi Sakamoto) (obsessed with Samurai ethics and his bullfrog-like deputy (Takeshi).

Major Lawrence (Tom Conti) is the Japanese-speaking go-between doing his harassed, shrugging and acerbic best to keep the peace. Jack Thompson plays the prisoners' bluff and Blimpish CO, complete with moustache and knee-length khakis. And David Bowie arrives in the camp one day as "Jack Celliers," a blond-angel New Zealander who takes upon himself the sins of both sides and gradually becomes their self-sacrificing saviour. (His initials, be it noted, are the same as another famous Saviour).

Although the film sports several beatings, two hara-kiris, a decapitation and a death by burial-to-the-neck, it is no more prurient or sadistic than the Bayeux tapestry: like which it proceeds in mysterious, serial, starkly limned tableaux, connections between which are for the spectator to make.

Basing the film on Laurens Van Der Post's novel *The Seed and the Sower,* co-screenwriters Oshima and Paul Mayersberg have taken the book's bundle of three interconnected stories and set them all down within one camp and one narrative time-span. And they have kept the novel's bold and brilliantly disconcerting thesis: that even amid the barbarisms of war, the only real way forward is for man to understand and commune with his opposite or enemy, however vast and dangerous the gulf between them.

David Bowie as PoW Major Celliers

Oshima plays off the performances against each other like different textures or musical instruments. Bowie is a sun-bleached sepulchre; his spirit trapped in the memory of a betrayed younger brother (we see the story in flashback) and waiting bird-like for release in an act of atonement. Sakamoto as Captain Yonoi is an equally imprisoned spirit, sketched in darker colours. His enslavement is to superhuman notions of pride and self-sufficiency; the bequest, suggests both film and novel, of his nation's long history of near-pathological isolation.

These two performances are formed of stark, iconic angles. Tom Conti, by contrast, occupying the virtual first-person role (Lawrence for Laurens) of observer-mediator, is all louche loose-jointedness: with that wry quizzical croak of a voice, the crow-like features looking up under a flop of black hair, the incomparable Conti shrug—and the sudden bursts of rage or pain that are all the more explosive for crackling out of apparent damp wood. This casting by idiosyncrasy succeeds in embodying the story's very central antithesis, between ramrod straight mystical idealism (Bowie and Sakamoto) and elastic, intelligent, humane pragmatism (Conti).

Visually the movie is so unfussy it often seems artless. Back in his whirligig Godardian days (*Three Resurrected Drunkards, Diary of a Shinjuku Thief, Boy*) Oshima would never have rested content with these four-square, horizontal set-ups, varied by purring tracking-shots into the beginning of scenes. But the uninflected style leaves the audience to make its own connections and meanings within the content.

Once or twice the dialogue is afflicted by a severe dose of "Author's message." (Conti to Takeshi in last scene: "It was as if Celliers planted a seed in Yonoi which we all . . . etc.") And the homosexual theme sketched at the beginning, when a Japanese guard is punished for sodomising a Dutch prisoner, seems distracting rather than illuminating as an early prefiguring of the symbiotic-brotherly relationship between Bowie and Sakamoto. But *Merry Christmas Mr Lawrence* is a powerful, rich, eerie film. The very unclassifiability of its style is one of the secrets of its ability to stay in the mind.

★

Blue Thunder, directed by John Badham, is all too classifiable. Whenever Hollywood is at a loss for new ideas about how to wow the box office, it resorts to hurling expensive vehicles at each other. Lean and predatory Roy Scheider, now looking more than ever like the shark in *Jaws,* is Frank Murphy, ex-Vietnam helicopter ace newly assigned to pilot "Blue Thunder." "Blue Thunder" is an armed and computerised super-chopper designed for aerial police surveillance and (later, *it* is hoped) crowd control at the L.A. Oympic Games.

Once airborne, Scheider and his helicopter's first success is to radar in on a brutal conspiracy by the very men behind Blue Thunder's design and commission. Has the machine actually been built for a purpose more sinister? Can Scheider alert the authorities? Will mad Malcolm McDowell, chief conspirator, shoot him down from the pursuing helicopter into which he (McDowell) has climbed?

We are only half way through the film and already the climactic chase-cum-battle has started. Which will give you a notion of how long it lasts. Sky-shattering machines, like giant bluebottles wired for the distant burble of B-movie dialogue, hurtle over Century City *et environs* attacking each other and in the crossfire destroying flats, flyovers, restaurants and most remaining vestiges of credibility. (But as usual with this sort of hokum, no humans so far as we can see.)

Scheider bravely emotes behind the joystick. McDowell is colourfully batty in a way that perhaps Hollywood thinks only the British can be. And Warren Oates in a superb valedictory role as Scheider's police boss, wry, wisecracking and woebegone, runs off with the movie. One only wishes he had done so a little earlier, before airborne dementia seized the screen loud and long.

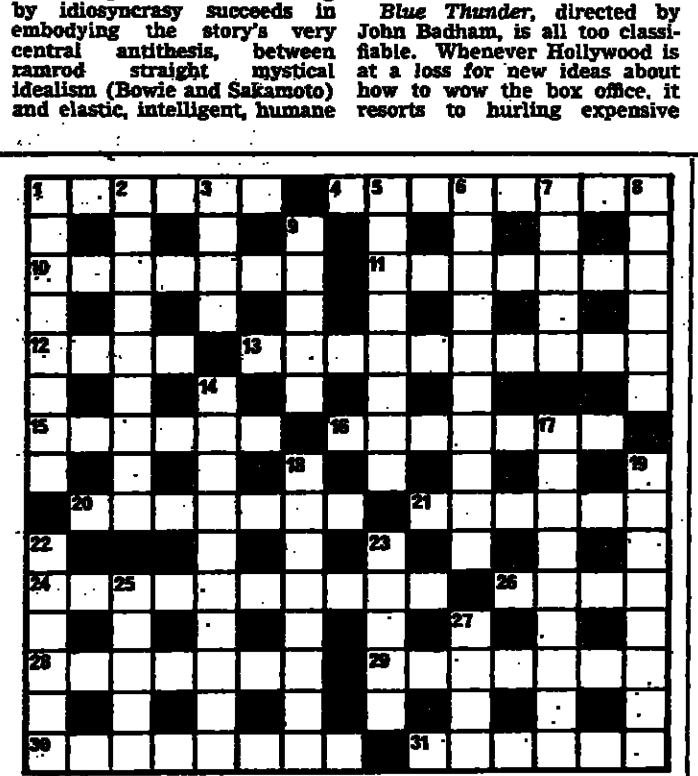
★

Franc Roddam's *Lords of Discipline,* by contrast, is earthbound, and painfully so. This is *Tom Brown's Schooldays* with epaulettes. We are in a South Carolina Military Institute where the only black cadet is being persecuted mercilessly by a racist and reactionary "secret society" within the school. (The head himself, played by toothy G. D. Spradlin, is a member.)

David Keith, of *An Officer and a Gentleman,* undertakes to protect the boy at the behest of kindly, burly Robert Prosky, known to his pupils as "The Bear." "You touch a hair on any of my lambs and you're dead," says Prosky to someone. Whereupon the film's melodramatic portentousness gathers volume if not pace; sounding off loud apocalyptic alarms in our ears without ever offering anything cinematically worth getting up for.

Roddam, who directed *Quadrophenia,* urges his actors towards the best performances they could give in the circumstances. The film's fault, however, lies not in its stars but in its script: a load of overheated rubbish based on Pat Conroy's similar best-selling novel.

F.T. CROSSWORD PUZZLE No. 5,201



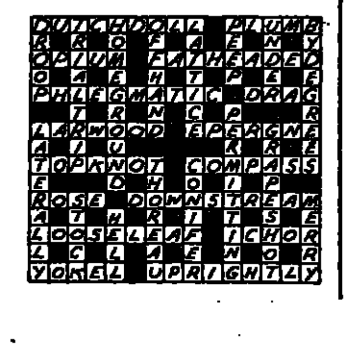
ACROSS

1 Make joint repayment (6)
4 Has regard for details (8)
10 There's added menace to river at lowest point (7)
11 Be disposed to incorporated approach (7)
12 Once used for spearing fish (4)
13 Unrewarding conversation? (4, 6)
15 Showing drawback ahead (6)
16 Light refreshment can be taken to beat everything, it's said (7)
20 What a sight to see rambling rose! (7)
21 Guide for people on high ground (6)
24 A tough egg? (4-6)
26 Yield is cut back (4)
28 Is curious how Reds now readjust (7)
29 Before young lady makes an assumption (7)
30 I'd pray it was altered with dispatch (8)
31 Competitor with a soft streak (6)

DOWN

1 Put elsewhere or deeply disturbed (8)
2 Escape on holiday abroad (5, 4)
3 Drawn tight (4)
5 Widely disseminated myth about the same author (8)
6 Petty thief seen in select area (10)
7 Agree to put him into the Church (5)
8 Read article and get agitated (6)
9 Set off with a sudden jerk (5)
14 Mix with bad-tempered people (5-5)
17 Rail link put under the metropolis (5-4)
18 Coach party is run on model lines (5, 3)
19 He puts case for the stumper (8)
22 Appropriate term for unpopular demonstrator? (6)
23 Met set-back on river beat (5)
25 Put together an approach (3, 2)
27 The timber trade (4)

Solution to Puzzle No. 5,200



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Friday August 26 1983

Double vision in Poland

READING the Polish situation gives one double vision. That, however, is the messy reality of Poland today. From the immediate perspective, the Solidarity movement seems to be fizzling out rapidly. This week Mr Wladyslaw Hardek, a senior figure in the Solidarity underground, went on television and read a statement urging others to abandon a struggle he described as pointless.

Mr Hardek now joins the 6,000 Poles, according to official statistics, who have benefited from the qualified amnesty offered by General Jaruzelski when he formally ended martial law last month. Most of that number have had fines or pending charges quashed, but some 800 have apparently been freed from jail. The amnesty does not apply to more than a dozen Solidarity and dissident leaders, held or sentenced under martial law, for "serious anti-state crimes." It also stipulates that anyone amnestied may have the balance of their sentence re-imposed if they are judged to misbehave over the next two years. Nevertheless, as one freed Solidarity leader noted, in a situation where it takes the co-operation of 10 people to keep one in hiding, it is hardly likely that Mr Hardek's surrender will be the last.

Losing heart

More demoralising to the Solidarity cause my be the flop this week of an attempted go-slow at the Lenin shipyard in Gdansk, where the independent trade union was born three years ago this month. A secret committee at the yard called for the go-slow to try to persuade the government to talk to Mr Lech Walesa about reviving non-official unions. The government flatly refused such talks, and the shipbuilders have worked as usual.

The failure of the Lenin yard, Solidarity's cradle, to return to the fray suggests that many Polish workers may be losing heart in anything but the most symbolic flower-laying and singing that will probably take place next week. It also suggests Poland's productivity problems are now more rooted in the lack of raw materials and of real economic incentives than in political incentives for a lost ideal.

There is, however, a longer perspective, and it has much to do with the resurgence of the Polish Church as a political force, given a fresh boost by the Pope's visit two months ago. The church is split on tactics. Roughly speaking, its bishops prefer diplomatic quiet confrontation with the government while its parish priests tend to speak their mind from the pulpit. But all follow the Pope's commitment to the ideals of Solidarity, though not necessarily to its specific organisation.

The church is not in cahoots with the Solidarity underground, but it offers their sympathisers free sanctuary, a safe medium in which to circulate moderate opposition literature. The public outcry and government apologies, following the few incidents during martial law, in which security forces invaded church property in "hot pursuit," show that this role of the church has become almost an accepted fact of Polish political life.

Soviet and Western policy towards Poland reflects the confusing nature of the country itself. General Jaruzelski is now beginning to get from his Warsaw Pact allies the sort of statements, official visits, even medals of honour that show their satisfaction and relief that he has brought his country back from the brink of real civil war. But Soviet leaders are not totally at ease yet. Mr Leonid Zamyatin, head of the Soviet central committee international department, has recently returned from Poland, and told Soviet television viewers, and presumably therefore the Kremlin, that what he calls "counter-revolution" is by no means dead in Poland. He criticised the Church in particular.

The West, for its part, has cautiously welcomed the end to martial law and release of most political prisoners. But it rightly notes that General Jaruzelski has done nothing to relax the legal straitjacket on union, Press and some other freedoms.

Active role

The only way forward seems to be for the Soviet Union and the West to accept Poland as a special case. For Moscow, this means accepting that Poland cannot be "unmade" as a partly pluralist society, that the Polish church has always had a national role, and that the number of Poles in the West—bigger than any other East European diaspora—make the country's fate an inevitable source of Western concern. These are admittedly hard facts for the Kremlin, and for that matter, General Jaruzelski to swallow.

By the same token, the West must recognise that its religious, cultural and ethnic ties to Poland require it to play an active, constructive role. The West protested at martial law by imposing sanctions. This was probably right, though the case for doing the same in 1968 over Czechoslovakia was just as strong. But the time is soon approaching when Western governments must consider dropping sanctions and re-opening a dialogue with Warsaw.

Competition for British Airways

THE GOVERNMENT of Mrs Margaret Thatcher is determined to see more competition on domestic air routes. British Airways, the principal UK airline, is aware of the Government's intentions, but it is also concerned to protect its own profitability. That is why last year it opposed the application by British Midland to start scheduled flights between London Heathrow and Glasgow and Edinburgh; the application was rejected by the Civil Aviation Authority, but approved on appeal by Lord Cockfield, then Secretary of State for Trade. For the same reasons British Airways is challenging in the High Court the CAA's decision to allow British Midland to compete on the London-Belfast route. The application is expected to be heard today; if it is successful, a full hearing may be held early in October.

In rejecting British Midland's application for the Scottish routes the CAA was not opposed to competition on the trunk routes, but thought that in the economic climate which prevailed at that time the addition of a new competitor would seriously weaken both British Airways and British Caledonian, which flies to Scotland from Gatwick. In reversing the decision Lord Cockfield was influenced by the argument that in the long run the increase in competition would be good for the consumer and produce a more efficient industry.

Objectives

In the Belfast case British Airways could have followed the normal route of appealing to the Government against the CAA ruling. But it has preferred to take the matter to the High Court in order to seek legal clarification of the CAA's decision. The CAA's objectives, as laid down in the 1982 Act, are to secure that British airlines "provide air transport services which satisfy all substantial categories of public demand at the lowest charges consistent with a high standard of safety *and an economic return to efficient operators on the sums invested.*"

In explaining its reasons in the Belfast case the CAA pointed out that British Airways enjoyed good profits on the route and that the benefits of user choice were more important than on the routes to Glasgow and Edinburgh since the relatively poor surface alternatives left British Airways more nearly in a monopoly position. There was a good case for giving consumers the option of a conventional scheduled service in addition to the shuttle.

Justified

One question is whether the short-term loss of profitability offends against Section 68 (2) of the Act which requires the CAA to have regard to the effect of any new licences on existing services. As Lord Cockfield said in his appeal ruling on the Scottish routes: "If the loss of profit of a monopoly operator of a route were to be considered an overriding argument against licensing a competing service, then the benefits to consumers and to airline efficiency resulting from competition would never be realised."

British Airways is understandably anxious to avoid any serious loss of market share within the UK. Much of the traffic originating in Glasgow, Belfast and Manchester goes via Heathrow to Continental destinations and beyond. It is also justified in insisting that the CAA interprets the law correctly. Nevertheless, the thrust of the Government's policy towards domestic air services is certainly right. The controlled introduction of new entrants is certain to have salutary effects on costs, productivity and service to the consumer. If the courts decide that the existing Act is an inadequate basis for implementing this policy, then the Government should take steps to amend it.

JAPANESE STEEL

'This industry is not declining'

By Peter Bruce, recently in Japan

MOST OF Japan's mighty steelmakers would probably agree that staying at the top demands constant attention to detail. Take the problem which confronted management at the Tokyo headquarters of one big producer during a drought in 1979.

While most of the city was being urged to save water, the steel executives discovered that many of their more fastidious employees had for years been flushing the lavatories twice per visit—once on entering and again on leaving.

Given the need for the company, one of Japan's industrial giants, to be seen to be doing its bit, the headquarter's management decided it had somehow to save on the first, non-productive, flush. But it recognised that the staff had a right to be spared any unnecessary embarrassment.

So one morning, as the story goes, secretaries, clerks and cleaners arrived at work to find a new contraption attached to the wall. When switched on, it emitted an entirely plausible recording of a lavatory flushing. Problem solved.

Japan is relatively new to the top of the West's steel league. The industry, led by its big five—Nippon Steel, Nippon Kokan (NKK), Sumitomo Metals, Kawasaki Steel and Kobe Steel—is now the biggest and most efficient producer of the metal in the West, having overtaken U.S. output in 1980. Japan makes more steel than West Germany, Britain, France and Belgium combined and it exports more of its production—about 30 per cent—than any country in the world. Only the Soviet Union makes more steel than Japan but Russian steel plants and products do not compare in efficiency or quality.

Big is not invulnerable, however. The Japanese have not escaped the dramatic decline in the fortunes of steel makers around the world as demand has fallen away. Kobe Steel excepted, all the big producers made pre-tax losses in the last half of 1982 and it is estimated that the recurring losses of the big five reached something like Y97bn (around $410m) in the first half of 1983.

Only 39 of the 65 blast furnaces in the country are operating and last year, for the first time in 10 years, Japanese crude steel production fell below the 100m ton mark, to 99.5m tons. Today, thousands of steelworkers are being temporarily assigned to jobs in other industries. The industry is reckoned to be operating at under 60 per cent of its capacity.

But it is virtually impossible to find among Japanese steelmakers the air of despondency that emanates from their counterparts in Europe and the U.S. While the European industry agonises about which plants to scrap in order to keep the EEC's steel rescue plan alive and while the Americans contemplate the enormous investment required to update their antiquated plant, the Japanese are deep into an intensive search for new products and markets. This year they are investing twice as much in new plant as they did in 1980.

"Steel is not a declining industry in Japan," says Mr Torao Okumura, president of the Japan Iron and Steel Federation. "There is no alternative to it." Although steel's share of total industrial capital investment has fallen from a peak of 20.3 per cent in 1976 to around 10 per cent today, the steelmakers will nevertheless spend around Y1 trillion (million million) this year, mainly on new facilities and energy conservation. The big five have published plans for investing in a total of 32 major development projects this year.

It is this commitment to continuing investment even during times of crisis, which should enable the Japanese to turn their industry round well ahead of the international competition if demand picks up, as it is slowly beginning to do. Domestic demand, particularly from the motor industry, has been surprisingly buoyant this year and even exports are up around 3 per cent on 1982.

Above all, Japan owes its position in the West chiefly to the rapid introduction of continuous casting technology throughout the steel industry. This allows steel slab to be made directly from the steel furnace and avoids the costly, time-consuming process of moulding, and then reheating, ingot for rolling into slab. More than 80 per cent of the crude steel produced in Japan is now continuously cast.

By way of comparison, in Germany, just over 60 per cent of steel is continuously cast. The French are in much the same position as Britain, where the process was pioneered, with the British Steel Corporation on about 45 per cent. In the U.S. continuous casting ratio languishes in the high 20s.

Not only have the Japanese producers been installing other people's inventions, they have, characteristically been improving them and re-exporting technology to the U.S. and Europe, once again paying attention to detail.

But for all their remarkable strides in steel-making, many producers admit that they were taken by surprise when the bottom dropped out of their market last year.

It all happened very quickly but the danger signals should have been spotted, by the Japanese at least, a year earlier, in 1981, when crude output dropped to 101.68m tons from 111.4m tons without having much effect on the balance sheets of the big producers. Some integrated producers even notched up record profits in 1981.

What happened was that demand for strip and plate, which account for more than 60 per cent of total production volume, was falling off but demand for a much more expensive product, seamless pipe, used mainly in the oil and energy related industries, was at record levels.

In July last year, with the yen at 256 to the dollar, seamless pipe was being exported at $1,409 a ton. By December, with only a marginal strengthening of the yen, producers were struggling to get $700 a tonne in the face of massive cutbacks in the world energy industry. By the beginning of this year the export price had fallen to just under $500 a ton.

The collapse of the seamless market caught the Japanese in the middle of a huge programme of investment in new seamless pipe capacity. To make matters worse, by last January, stocks of seamless pipe in the U.S. were estimated to be enough to meet demand for nearly two years.

Of the big producers, only Kobe has not jumped on to the seamless bandwagon. Nippon Steel is still upgrading two seamless mills, NKK commissioned a new mill a few months ago and Sumitomo, the world's biggest producer of seamless pipe, is upgrading and remodelling two mills.

Whatever the fate of the seamless pipe market—and the betting in the industry is that it will recover eventually to around 60 per cent of its peak demand—the Japanese have learned from it that high quality, value added steels are the key to their survival.

As a partial response to the fall in demand, the big steelmakers are also spending heavily on research into steel substitutes. Kobe Steel, which conducts a lucrative business in plant and machinery, and NKK, a major shipbuilder, are partially excluded from this effort, but both Nippon Steel and Sumitomo have begun, often through established subsidiaries, work on titanium, ceramics, carbon fibres and coal gasification.

The non-steel business is, however, relatively unimportant for the moment. What does matter—not least to Japan's overseas competitors—is the extent to which the integrated producers will be able to raise the quality of their existing basic product range—plates, strip, pipes and tubes, and the long products like bars, rods and wire.

"There are three kinds of steel product," says Mr Kumagai, the Sumitomo president. "There are some products where—if we can improve quality—we can have volume. There are products which anyone can produce, in which case competition could be excessive and there are some products for which demand will inevitably decline." There is no doubt that he favours the first option.

Products now being "commercialised" by the industry include new corrosion resistant sheets, very thin sheet, new alloys for offshore and nuclear roles and steels designed to withstand extreme cold.

The big producers, however, are not [illegible] to define their markets purely on their own terms. There are at least 65 "mini mills" in Japan —mostly independent, electric arc furnace steelmakers — who have been quick to spot gaps left in the market by the majors and have been able to threaten better quality steels with cheaper, though more basic, traditional products.

The independent producers have also not allowed the big five smoothly to ease out of unprofitable markets altogether. Last autumn Tokyo Steel announced it was going to bring a new H-beam mill on stream at one of its works early next year. The big producers, led by Nippon Steel, tried to scare Tokyo off by cutting the price of their own shapes.

They gave up earlier this year, after the price of H-shapes had fallen from Y74,000 to Y54,000 a ton in a few months, with no sign of Tokyo Steel abandoning its plans. The electric arc steelmakers have cut the integrated producers' share of Japan's total crude steel output from 80.9 per cent in 1977 to just over 73 per cent last year.

Given the fact that the integrated producers are having to watch their backs in their traditional volume businesses at the same time as trying to create new markets for new products, a number of senior corporate officials have been surprised by the bullishness with which their stock is being touted around Tokyo and New York.

Analysts argue, however, that the collapse of the seamless pipe market has already been discounted by investors and that 1984 should in any case see this market once again contributing to the earnings of the four seamless producers.

They also insist that an increase in domestic demand which first became apparent in January is sustainable (steelmakers are not sure) and that the cyclical nature of the steel business will soon reassert itself.

At least one major securities house in Tokyo is forecasting combined pre-tax profits (before extraordinaries) of the big five of Y43bn in the second half of this year and Y91bn in the first half of 1984.

The steelmakers are much more cautious, although the Steel Federation has slightly revised its crude steel output forecast of 93m tons this year.

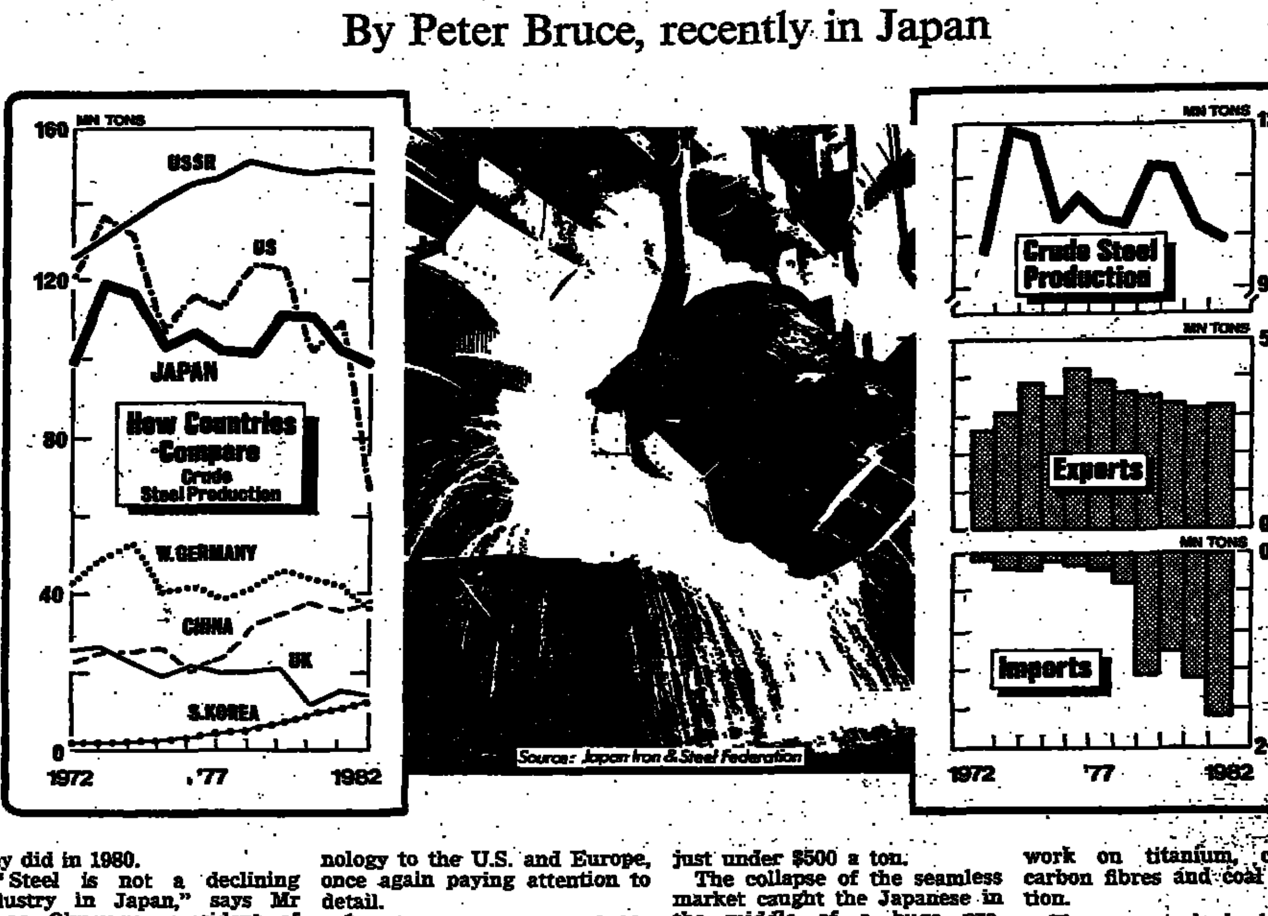
What does excite producers and investors alike is the prospect of China returning to the steel market. It is widely believed in the industry that the Chinese are preparing to order about 5m tons of quality steels annually for the next few years from Japan as its oil exploration and distribution programme gets underway.

China was Japan's third biggest export customer last year, taking 10 per cent of the export total compared to 17 per cent to the U.S. and 21 per cent to the Soviet Union. In 1981, the Chinese accounted for only 5 per cent of Japan's steel exports and the U.S. took 24 per cent.

While the U.S. market may be, temporarily at least, a diminishing factor, the Japanese producers have not been short of offers for entire works from American steelmakers anxious to get out of the business. They have been able to pick and choose.

NKK turned down Ford, which was offering Rouge Steel for about $250m. Kobe, however, has bought Midrex, the specialised direct reduction plant builder from Korf Industries and Nippon Steel is battling, against U.S. political opposition, to buy into the U.S. special steels industry with an eye to serving the defence industries.

"The Americans must think we're rich," says Mr Okumura of the Steel Federation, with a smile that even he cannot resist.



Source: Japan Iron & Steel Federation

THE INVESTMENT PICTURE

PLANT AND EQUIPMENT EXPENDITURE BY MAJOR JAPANESE STEEL PRODUCERS

(Ybn)

	1980	1981	1982*	1983*
Nippon Steel	165	226	300	250
Kawasaki Steel	65	100.5	127.3	138.7
Nippon Kokan†	46.4	93.1	146.3	186.4
Sumitomo Metal Inds.	102.1	128.2	180	155
Kobe Steel†	64.5	71.9	64.3	89.4

* Company estimates. † Steel divisions only.

Source Nomura Securities

Men & Matters

Oil strike

Stockbroker Wood Mackenzie, long established as the leading analyst of the North Sea oil industry, must be getting a bit uneasy about the growing competition from one of its major rivals, James Capel.

Especially with the news that Capel has now recruited Martin Lovegrove, currently chairman and chief executive of ML Petroleum Services—together with his new North Sea data base and economic and exploration models.

For it was Lovegrove who, between 1975-77, did much to develop Wood Mackenzie's North Sea analytical service.

James Capel, which has topped Continental Illinois's general league of stockbrokers' analysts for the past three years, is expecting a spate of financing deals, mergers and acquisitions as the exploration winners and losers sort themselves out. With this in mind, it has been strengthening its oil side.

Fifteen months ago it recruited David Gray from brokers Williams de Broe to be its chief oil analyst. Then early this year, it lured from the Financial Times James Joseph, formerly editor of the North Sea Letter. Exactly how Lovegrove will fit in to the set-up is somewhat hazy but it seems that he will be concentrating on corporate finance and institutional selling.

Lovegrove, aged 32, has already worked with James Capel on the production of an extensive evaluation of the state-owned Britoil exploration company prior to its flotation last year. But then Lovegrove had the advantage of having been on the staff of Britoil's original parent—British National Oil Corporation—from 1977 to 1980.

He had joined BNOC, still in its embryonic state, as manager of the economic intelligence group. He left after being appointed head of public affairs which he regarded as "a waste of what few talents I have." It was then that he set up his own company. One of his close relations told him he was unemployable so he employed himself.

Computer link

American computer companies are likely to take a jaundiced view of the appointment of Roger Martin, former aide to both Edward Heath and Margaret Thatcher, as ICL's director of external relations.

Former head of the PM's policy unit, Sir John Hoskyns—an old IBM hand—is already an ICL director.

And Martin's (unannounced) arrival will add further grist to complaints from the U.S. companies that ICL is being unfairly favoured by the Government in the placing of large public sector computer orders.

There have been at least three protests over alleged Government favouritism in the past year. IBM challenged ICL's £12m contract with the Severn Trent water authority in the High Court. Burroughs, too, went to court over ICL's order from the Oxford regional health authority. Both actions failed.

More recently, Queen's University, Belfast, has publicly complained that it was being forced to buy an ICL computer, which it did not want, instead of the machine it had chosen from Honeywell.

With massive computer orders in the public sector at stake, American suppliers have argued that since the start of 1981, the Government has been bound under EEC and international trade rules to put the orders out to tender.

In practice, ICL has lost very few of these replacement orders in the last two years.

Martin, recently a parliamentary consultant and political lobbyist for GKN, denies that ICL has specially close links with the Government. "Obviously, I shall be putting ICL's case to the Government," he says. "But I do not expect any favours."

Flat refusal

The traditionally esoteric Fleet Street demarcation dispute has risen to new heights of fine detail at the Daily Mail.

The distinction between flat and curved screens lies at the heart of a dispute that has already caused dark room workers, members of the Rirma chapel of the print union Sogat, to black the processing of all photographs taken from TV screens.

The Mail has lost a number of pictures from TV news coverage of the Brighton assault story earlier this week, and other papers—particularly the Sun, News of the World and the Daily Mirror—could soon face the same problem.

A very old piece of "new technology" — the video machine — is the problem. Photographers belonging to the National Union of Journalists traditionally take pictures from TV sets (curved screens) which are then processed by Rirma members in the dark rooms. Rirma people themselves also take flat surface pictures for artwork, cartoons, etc.

But with the advent of the "freeze-frame" video (flat screen) which improves the quality of pictures taken from the TV, the floodgates of industrial aggro have opened. Rirma is claiming that although TV pictures are NUJ work, flat screen video work is theirs. No doubt with an eye on more complex forms of new technology in the picture processing area they are digging their heels in. At the Mirror they have side-stepped the problem for the moment by moth-balling their £2,000 "freeze-frame" machine.

Bank changes

Mario Benbassat and Elias Zilkha, founders of the Banque du Rhone et de la Tamise, the Swiss bank figuring in the Howden affair at Lloyd's of London, have resigned as managing director and director respectively, and set up their own money management business in Geneva.

The two men—Zilkha is a cousin of Selim, founder of Mothercare—have a following among Europe's super-rich for their performance in investment banking and portfolio management.

They will continue to work closely with the bank, whose City office is a stone's throw from Lloyd's in Leadenhall Street.

These are the latest in a series of changes at the bank since the American insurance broker Alexander & Alexander, which owns Lloyd's broker Alexander Howden, took over.

A & A took possession of the bank from former Howden executives after allegations—yet to be tested—that it had been acquired, with other assets, out of $55m of reinsurance premiums misappropriated from Howden.

William Farley, who resigned as finance director of A & A in June, remains chairman and a consultant to A & A in New York.

But former Chase man, Thornton Kennedy, and A & A's appointed chief financial officer at Howden, Ron Barardi, have joined the bank's board in Geneva and have taken over day to-day control.

Clued up

Expect a few triumphs for the BBC in its tricky relations with the Home Office now that David Holmes has been appointed BBC Secretary. The Home Office official with whom he will have to deal is an assistant under-secretary, named Michael Moriarty.

Observer

INSIDE A TRADE UNION

What the members really think

By Philip Bassett, Labour Correspondent

"A lot of people don't go to meetings because they're afraid to put their hands up." "We could see democracy happening in front of us—I refuse to believe that anyone we work with would be intimidated."

"We want a General Secretary, not a politician going around the country canvassing." "The executive should appoint the secretariat, but there should be a vote of confidence in the General Secretary every five years, so that if he turned out to be an Arthur Scargill we could get rid of him."

Rarely do trade union members have a voice. Certainly, their leaders—many of them articulate, persuasive people—often speak for them. But apart from snatched interviews, on picket lines, outside factories, or framed by the blustery seaside rhetoric of union conferences, the rank-and-file rarely has its say.

These are the voices, the thoughts and the feelings of ordinary trade union members in an ordinary trade union. They are members of the tax staffs' union, the Inland Revenue Staff Federation—deeply moderate, but strongly militant in the 1981 Civil Service strikes, the complexities of view the IRSF encompasses and presents are probably no more but certainly no less representative of the current trade union climate than any other.

Their opinions and beliefs are laid out in a frank survey of its members which has just been carried out by the IRSF. Many of its findings are startling, and cast doubts on the claims of both the Government and the TUC to have a hotline to the hearts and heads of the unions' 11m members.

In particular, the survey—probably the most thorough-going internal examination of trade union members' opinions in recent years—for the first time sets hard, claims of Mr Norman Tebbit's White Paper on trade unions' democratic procedures.

The survey, conducted for the IRSF by EPIC industrial consultants graphically illustrates some key points about current union thinking:

- Pre-strike ballots, and ballots for union executive committee members—the central features of Mr Tebbitt's Bill—have widespread support among members.
- But this support is far from simplistic. Union members are more aware of the complexities of the arguments surrounding these two key issues—as the above quotations show—than the easy populism of Mr Tebbitt's proposals might seem to allow.
- Even with the demand for greater democratic control, there is a high level of satisfaction among union members with their union's performance.
- There is no evidence to suggest that even with Mr Tebbit's new democracy, the bedrock problems of union members' apathy, their lack of knowledge about their union, and their reluctance to exercise the constitutional power they already enjoy, are likely to be solved.

A pre-strike ballot among miners

The IRSF survey is unequivocal about ballots: a massive 94 per cent of lay members supported the idea of a pre-strike ballot. Further, only 31 per cent of members were prepared to concede that sometimes the urgency of a fast-moving industrial situation was such that there might not be sufficient time to consult members before calling a strike.

Beneath these figures, though, lies a complex picture. Only 30 per cent of members thought the present method of reaching decisions in the union was satisfactory; another 39 per cent were undecided. Yet 63 per cent considered it part of the executive committee's job to take decisions on their behalf.

Mr Tebbit thinks that ballots to end strikes actually prolong stoppages and so has refused to include the idea in his bill. Union members in the IRSF survey disagree with him: 88 per cent thought there should be a ballot before industrial action was called off.

Few members were in favour of postal ballots, much cherished by some Conservatives. Union members saw them as unnecessarily complex and cumbersome.

The middle ground was struck by the union officer in Birmingham who said: "I'm all in favour of secret ballots, but it's important to find some way to combine secret ballots with meetings." Strongest support for a method of voting was for a secret ballot, held in the workplace after a meeting to hear the arguments.

Closely linked in Mr Tebbit's mind to strike ballots is the idea of secret ballot for trade unions' governing bodies. At local level, though, the survey shows that this is just not an issue. As a Liverpool lay member put it: "No need for balloting for Office Secretary—people have to be pressed." Another, showing clear surprise about the voting for his local branch committee: "We were actually in the position where we had more people who wanted to be on the committee than there were places—so we had a democratic election."

A Liverpool officer was disarmingly frank: "The system of selection for committee is marvellous. All you need to do is to bring your office and you're in."

Inevitably, this produces bitterness—often political. "The branch is run by a clique," said a lay member from Bristol. "It's difficult to get people to stand against the branch committee. There used to be a small number of middle of the road members at meetings but they have now given up going and have been replaced by a vociferous group who want to control the union."

At national level, there was considerable support for the election by ballot of the union's executive: 63 per cent of members favoured this. Unfortunately for Mr Tebbit's belief that elections will in turn produce changes in union policy to bring them more into line with their members, the value of such elections is reduced if members feel that they are little more than a lottery. Many members said they had very little knowledge of the candidates in executive elections—hardly surprising, when 73 per cent admitted they had not read a copy of the annually-published hustings, comprising all the candidates' election addresses.

The question of selection of union officers at national level divided members fairly evenly between ballots and appointment by the executive. A lay member in Leeds said: "Election of the general secretary would be a very good thing. I think it is wrong for a man who is very powerful not to be answerable to the members," but a South Wales member said: "If the secretariat were elected they would be continuously looking over their shoulders. They would not do the job well."

Membership support for pre-strike and executive election ballots obviously reflects to some degree members' frustration with their own impact on the way their unions work.

Such a survey as this is bound to inflate such feelings, simply by giving members an opportunity to let off steam. Even so, 56 per cent thought ordinary members of the union had too little influence upon its operation and policies; a quarter thought the level about right.

But the members' sense that they cannot influence the union may be partly their own fault.

Of the union's 58,000 members, 63 per cent attended no branch meetings at all last year—and even that attendance figure is regarded in the union as somewhat better than usual. Domestic difficulties (30 per cent), difficulties of timing or travel (25 per cent) and meetings' tendency to be long and boring (22 per cent) are the main reasons for not going.

Even for those stalwarts who do go, branch meetings have their drawbacks. One lay member in Carlisle said: "The motions at branch meetings are a mixture of politics and parochialism—draughty windows versus Poland." A union officer in Bristol admits: "The same old faces turn up, so you are preaching to the converted."

Despite this, support for the union—right or wrong—was strong. Sixty-two per cent of the members were prepared to support the union on key issues; only 15 per cent were not.

In total, the portrait painted by the IRSF survey is of a trade union membership far removed from the popular trade union caricature of a brute Luddite. Instead, it presents a view of a wide-ranging, complex pattern of responses on difficult and often crucial issues; of members' satisfaction with their union, but also of a proper desire to make it better.

Mr Tebbit can take comfort from the survey; but so can the TUC. The support is clearly there for Mr Tebbit's favourite hobbyhorses. But the fact of the survey's existence at all, and of the union's intention to implement changes based on its findings, confirms the insistence of Mr Len Murray, TUC general secretary, that Mr Tebbit wrong to claim "widespread support for legislation" to reform unions by force because they will not reform themselves. Trade unions' internal reforms, like the Low cartoon of the TUC as a carthorse, may be slow—but the IRSF survey proves that the impetus is there.

M. Jean-Pierre Chevenement

Plotting a comeback in the wilderness

By David Marsh in Paris

There is an element of surrealism as well as showmanship in the elegant figure of M. Jean-Pierre Chevenement, France's former Research and Industry Minister, now a leading exponent on the Left of alternative economic polices to the Government's austerity measures.

M Chevenement, who is 44, left the Government in March after a dispute with President Mitterrand over his often controversial methods of running the country's expanded nationalised industrial sector.

His new Parisian base is a spacious, pink-and-blue-furnished suite in a Research Ministry block in the 5th arrondissement, close by the Ecole Polytechnique where many French heroes were educated, and with a view downhill to the Pantheon where a good number are buried. Here, M Chevenement is planning his future.

For the moment, the impression of a politician out in the wilderness is reinforced by the knee-high grass in the courtyard in front of his office. But M Chevenement, who counts chess as his main pastime, is preparing his strategy for an autumn come-back.

At the Socialist party's national congress in October, the ex-minister, as the leader of the party's left-wing Ceres group, will be in a key position to challenge the government's economic policies—especially if by then its deflationary drive, started in March, has proved a failure.

M Chevenement tells visitors he fell from grace not because he wielded too much interventionist power, but because he did not have enough. Blame for his inability to force through sufficient structural changes in industry is laid firmly at the door of industrial "lobbyists" and those in charge of the purse-strings at the Finance Ministry.

"In France," says M Chevenement, "the Minister of Industry is not in a position of force vis-a-vis the Ministry of Economy and Finance, which runs credit, taxes, prices, the budget and subsidies, and, in addition, grants permission for investment abroad by French companies and investments in France by foreign ones."

One of the factors contributing to his downfall, according to both government officials and nationalised industry bosses, was that M Chevenement talked too much and accomplished too little. As one unimpressed nationalised bank director put it: "Between Chevenement's dreams and reality, there was something of a gap."

In recent months he has deliberately kept his public pronouncements limited. But he hit the headlines at the end of May with a speech criticising the belt-tightening programme sponsored by M Jacques Delors, the Finance Minister. M Chevenement charged that the "Delors Plan" would boost unemployment and depress investment without avoiding the need for another eventual devaluation of the franc within the European Monetary System.

M Chevenement expounds the grand themes already developed during his time in government. "If we do not bring about recovery in our industry, including the traditional sectors, there will be no more than two survivors among the great competitors of the world—the U.S. and Japan."

But how to bring about this recovery in a depressed economic environment? The basic ingredients of the Chevenement prescription are a little less deflation, a little more devaluation, and an unspecified dose of protectionism.

"The main line that I always defended when I was in government was that one could not decouple industrial policy from general economic policy, and that if there was not a growth rate of 2 or 3 per cent a year, it would be vain to hope that entrepreneurs would invest. As a result, I don't believe that a policy of deflation will bring about a recovery in investment."

While opposing the "classical" concept of cutting internal demand at the centre of the Delors plan, M Chevenement claims he is offering no soft option. "I have always said that rigour was necessary."

He even gives his blessing to cuts in living standards— which are due to fall in France this year and next—on certain conditions. "I believe that a fall in purchasing power is less serious than an increase in unemployment. It is better to have a cut in purchasing power, provisional, limited and spread as equitably as possible, and to allow jobs to be given to young people."

On the thorny question of measures to cut imports, he says: "For me it is not a question of closing the borders. I am not in favour of protectionism. But France cannot support a trade deficit as large as it has been, and for that reason one could imagine, a series of provisional measures which would allow the deficit to be wiped out."

The new Industry Minister, M. Laurent Fabius, in spite of support from President Mitterrand, could also face difficulties—especially with nationalised industry bosses jealous to hold on to autonomy. M. Chevenement ran into trouble with the heads of most state-owned industries over restructuring plans in chemicals, aluminium and electronics. Another disagreement — not previously common knowledge—was with M. Georges Plescoff, the chairman of the Suez financial concern, over the Government's insistence that the group take a hand in the rebuilding of the machine tool industry.

M. Plescoff has since retired from the Suez job. But it may be significant that he has the attentive ear of M. Mitterrand—and he is a presidential favourite for the Finance Ministry job should M. Delors, like M. Chevenement, fall from favour.

Letters to the Editor

Myth of youth unemployment

From the Labour Education Spokesperson, Ealing Council

Sir, — Your editorial on the YTS (August 17) and Mr Woods' letter (August 23) both propound the myth that youth unemployment is somehow the fault of young people themselves, and that if only they were properly trained and worked for lower wages then the problem would disappear. This is simply not true. Britain's current appalling level of unemployment among school leavers is the result of a shortage of jobs, and the responsibility for that must lie with the Government's myopic economic policies. Indeed, it was largely the political need to keep these young people off the unemployment register (as well as off the streets) which forced the Government to come up with the YTS, but this may prove to be the scheme's undoing if large numbers of young people discover that they are still without a job at the end of it.

Mr Woods also appears to endorse a rigid divide between education and training in saying that schools and colleges should be kept away from the YTS. One can well understand why most employers will want training under the YTS to be privatised and carried out in an "industrial environment" (ie in which trainees will be taught to accept more "realistic" wage levels and the disciplines of the work-place), but the needs of young people will not be served any better by this than they have been by our educational system. The latter bears a heavy responsibility for having clung on to a divisive and out-dated examination system whose main purpose has been to label a fixed proportion of students as failures rather than encourage all to reach their full potential. However, while we wait for radical reform to emerge from the DES, it is all the more important that full and equal access to further education should form an integral part of all YTS schemes.

Education and training need to be brought closer together. If the introduction of the YTS leads to their further separation, and the consequent entrenchment of a two-tier system at 16, then it will be young people who will lose out.

Hilary Benn.

Western reaction to Russia

From Mr Bernard L. Baboulène

Sir,—The first of Mrs Littlewood's many questions (August 18) is easily answered — there can be little doubt that "to a Communist member of the Politburo" President Reagan looks very much as Hitler did to us in the 1930s. The detestable Russian regime has been able to wear the image of the reluctant follower to America's arms-race pacemaker ever since World War II because her weapons and objectives are primarily ideological, and the West has reacted militarily instead of blowing the air of freedom over them at every possible point of contact.

Under the influence of the U.S. we are now minimising the contacts and seem hell-bent on a course which, as Mrs Littlewood fears, can end only in a choice for Russia between submission and lashing out. It is an ugly thought that the West is evidently led by men striving actively for that consummation, and possibly an uglier one that they must be represented in this country, otherwise we could not have got where we are now without a shred of democratic process. But we are worried about shop-floor subversives, not those who are preparing us to be fried alive by the million; indeed, to question the latter's clandestine wisdom and *faits accomplis* is to risk being classed with the former. Thus we vitiate what we purport to defend.

Bernard L. Baboulène,
10, Richmond Ave.,
London, SW20.

Replacement for BR chief

From Mr L. Irvine-Brown

Sir,—I can see why it is proving so difficult to recruit a replacement for Peter Parker. Any candidate for the job would find from the start that his industry faces a uniformly hostile Press, a Ministry which behaves like an integral part of his main competitors, a Prime Minister who, for no obvious reason, is rabidly anti-rail and has a principal adviser who is a member of that offshoot of the Flat Earth Society, the Rail Conversion League, which although discredited these past 20 years still appears to merit half a column of your space.

If our candidate sought in your columns for the reason for this unfortunate state of affairs he would learn that the railway absorbs vast sums of taxpayers' money and this amount has got to be reduced even if it means closing down most of the system.

Of course, he would look in vain for any suggestion that his competitors obtain assistance from public funds, only the railway is in the dock. Yet common sense would insist that if the coaches which are playing havoc with rail passenger business can be put on the road for less than a Mini, somebody has got to meet their infrastructure costs.

Somebody has to make up the difference between what the heavy lorry pays and what it costs the community and that even without allowing for regular and unrestricted overloading and over speeding. Somebody has to pay for these new by-passes as well as for the biggest civil engineering operation currently in progress, the rebuilding of roads destroyed by those same lorries, but if our candidate seeks further enlightenment and obtains an honest answer he will learn that standards are different. Roads are good, railways bad.

As he tears up his application form he may well wonder what pressures (or inducements) have compelled BR management to accept this quite farcical situation without even a squeak of protest.

L. Irvine-Brown.
Church Street,
Wyre Piddle,
Worcs.

Keeping up with cashflow

From Mr Peter Stanbridge

Sir—Mr M. Posner (August 19) appears to be amazed that many companies and managers rely on weekly or monthly bank statements. His opinion is that a daily bank statement is essential for effective financial management. I wonder if he means what he says as we should all know, especially in an organisation having many and varied overseas currency transactions, that a bank statement gives very little relevant information.

Surely the efficient financially managed organisations must have a daily cash report that gives the cash flow position at each day end. This is a financial management aid upon which decisions can be based, not a bank statement balance which in no way can accommodate unpresented items which may be of astronomical volume.

Peter H. Stanbridge,
Company Secretary/
Chief Accountant,
Gower Publishing Company.
Gower House, Croft Road,
Aldershot, Hampshire.

Answer to IMF conundrum

From Mr G. W. Mackworth-Young

Sir,—There is an answer to the IMF's conundrum, expressed so clearly in your leader of Tuesday, August 23.

The Fund need not—indeed should not—intermediate long-term loans. It could merely negotiate them, subsequently attaching its guarantee to fixed-interest bonds issued by the debtor governmens directly into the international capital markets.

The terms of the guarantee would include full recourse by the IMF to the borrower; and since it would ensure the finest market rates for the bonds, the borrower would be charged a guarantee premium at an appropriate rate.

This is the straightforward way of mobilising the resources of the market-place to finance longer balance-of-payments type maturities; it would uphold the healthy tradition by which the Fund itself is financed only by its member governments; and, except in the event that a guarantee had to be called, it would be entirely non-inflationary.

I do not know what amendments would have to be made to the IMF articles to enable it to give such guarantees; but if the choice lies between the Fund making loans on the one hand, or giving guarantees on the other, the under-lying risk is just the same; and I cannot suppose that member governments would object.

Bill Mackworth-Young.
23 Great Winchester Street,
London, EC2.

The truth of job applications

From Mr D. G. Adams

Sir,—Mr David Buckle remonstrates with the media over the "Trial" of his 13 members sacked for lying to get jobs.

"It is," he says, "too high a penalty to pay for giving misleading information on the job application—they simply were desperate for a job."

Has he not considered the "other 13" who were possibly denied work as a result of these applications being accepted?

I assume he does realise that the current number of unemployed exceeds 13 by the odd million or three.

D. G. Adams.
171 Belgrave Road,
Wyken,
Coventry.

FINANCIAL TIMES

Friday August 26 1983

Burlington Northern bids for rest of El Paso

By Terry Byland in New York

BURLINGTON Northern, the largest U.S. railway operator, announced yesterday that it would offer $624m for the 52 per cent of stock in El Paso, the Houston-based energy company, outstanding after Burlington's partial bid in January this year.

The offer, to be made by a Burlington subsidiary in the form of $12 cash and one newly issued Burlington preference share, valued at $12, for every El Paso share, requires the approval of both boards and a majority of holders of the El Paso stock not held by Burlington.

Burlington's deal in January, which replaced an earlier and bitterly contested offer, gave the rail company 48 per cent of the El Paso shares plus options to acquire sufficient extra stock to lift the holding above 50 per cent. The options have not yet been exercised.

The likelihood of a bid for the outstanding shares from the railway company has not been unexpected in the stock market, but the timing and price raised some eyebrows yesterday.

The terms of the latest offer are no higher than in the January deal, which itself replaced an earlier offer for 25m shares at $24 a share, rejected as too low by the El Paso board.

The El Paso board would make no comment yesterday but any possibility of a counter-move is ruled out by Burlington's commanding stake in the company.

Shares in El Paso have been languishing on the stock market despite the possibility of a further move by Burlington. In May, the board cut the dividend from 37 cents quarterly to 17 cents, commenting on the earnings trend and continuing weakness in natural gas markets.

Net earnings fell in the first half year from $39.4m or 81 cents a share to $37.1m or 70 cents. The company, which is a leading U.S. producer of natural gas also has a debt load of $2.1bn.

But Burlington Northern, which also has substantial oil and gas operations in the U.S. as well as coal and mineral reserves, made no comment on the timing of its offer. But El Paso is expected to benefit substantially from a recent ruling by the Supreme Court allowing it to increase charges on some gas production in mid-Louisiana.

While Analysts predict that El Paso could increase its earnings by as much as $1 a share as a result of the court ruling, stock market arbitrageurs have been buying up El Paso stock lifting the price almost to the level of the new bid.

Mannesmann gloomy as earnings drop sharply

BY JONATHAN CARR IN BONN

MANNESMANN, the West German steel pipe and mechanical engineering group, reported sharply lower profits and sales in the first half, and there is no sign of early improvement.

Foreign business was especially hard hit, not least that of the group's Brazilian subsidiary, and the domestic market is recovering too slowly to compensate for the shortfall.

Group external sales were down by 20 per cent in the first half against the same period of 1982 to DM 6.3bn. While the turnover of Mannesmann's domestic companies fell by 18 per cent to DM 5.3bn ($2bn), that of its foreign subsidiaries plunged by 40 per cent.

Steel pipe production fell by 17 per cent to 1.5m tonnes. Only in the wide-diameter pipes division was there an upturn (of 11 per cent to 568,000 tonnes) thanks to continuing demand from the Soviet Union.

Overall sales of the group's machinery and plant construction sector dropped by 5 per cent to DM 3.4bn, but some of the companies within the sector are performing relatively well. One is Hartmann and Braun, the electrical equipment subsidiary, which boosted orders, sales and profits against 1982.

Mannesmann's big problem remains Demag, the heavy engineering manufacturer. Its order intake was down by 20 per cent above all because of "massive intensification" of competition among industrial plant makers worldwide.

Group fixed-asset investment totalled DM 270m in the first half, slightly down on the comparable figure for last year. Mannesmann worldwide employs 108,173 people – 8 per cent fewer than a year ago.

● World sales of Klöckner, the West German steelmaker, dropped 6.1 per cent to DM 573m in the first nine months of the business year (to June 30). Crude steel production was down by 5.3 per cent to 370,000 tonnes.

Klöckner pledged to press on with its programme to restructure, adding that it believed it would continue to have the support of the banks for the operation.

Austria's Creditanstalt wants to sell loss-making industrial units

BY OUR FINANCIAL STAFF

CREDITANSTALT, Austria's biggest bank, is seeking to offload its industrial division, which over the past dozen years has cost the bank around Sch 7bn ($377m).

The division, which props up a number of ailing industrial companies like Semperit, the tyre group, and Steyr-Daimler-Puch in engineering, is proving a hindrance to expanding its mainstream banking activities.

"We are in a phase of broad expansion internationally and we need our money for ourselves", says the bank. It recently opened a branch in the U.S. and is now represented in both New York and London.

Creditanstalt, which is itself 60 per cent owned by the Austrian Government, would clearly like the state to assume a more direct control of the companies that form the bank's industrial division.

Its demands for a freer banking hand coincide with requests, expected to be made formally next month, for Sch 1bn in fresh state aid from a number of troubled Austrian industrial groups.

Those under the wing of Creditanstalt are expected to ask for around Sch 600m in federal aid.

In the first quarter of 1983, the bank's industrial losses very nearly trebled to Sch 630m net of government subsidies, compared with losses of more than Sch 1bn for 1982 as a whole.

The companies in its care have an annual turnover of more than Sch 60bn. As well as Steyr and Semperit, they include large construction, metal, glass and paper groups. At the end of last year they employed a total of 50,000.

Creditanstalt does not take its industrial losses directly against bank profits, but they nonetheless weigh heavily on the banking balance sheet in terms of provisions against shareholdings and loan repayment and interest waivers.

In 1982 their effective cost to the bank totalled Sch 1.56bn, lifting the cumulative total cost for the period 1970 to 1982 to Sch 6.98bn.

On a balance sheet total of Sch 338bn, the bank's net profits emerged only marginally higher last year at Sch 272m. Before provisions, bank operating earnings rose 30 per cent in 1982.

Truce in French petrol war

BY DAVID MARSH IN PARIS

A TRUCE was declared yesterday in France's petrol price war as the Edouard Leclerc supermarket chain declared it would rein back illegal discounts at its petrol pumps in anticipation of a meeting with the Government next month to find a peaceful solution to the affair.

The decision to cut back petrol discounts at the nationwide array of Leclerc stores to the 10 centimes legal maximum was announced personally by M Leclerc yesterday. It followed Government moves to cut off supplies to the Leclerc chain and other distributors practising illegal discounts.

The petrol price battle has become a subject of keen national interest in France, vying with events in Chad in occupying newspaper headlines during the traditionally news-starved month of August.

M Jean Auroux, the Energy Minister, who is the minister most closely involved in the controversy, also took a more conciliatory line yesterday, underlining that the Government would consider reforming the discount system but only after full consultation with all parties.

He said the Government had no choice but to act against the Leclerc-led discounting vogue and the "demagogy" surrounding it. Brushing off criticism that action opposing cut-price petrol could counteract the Government's anti-inflation drive, M Auroux pointed out that cheaper petrol could lead to higher consumption which would not be "healthy."

M Leclerc, still in fighting mood, called the cutting of rebates a "pause" and said his stores would reimpose illegal discounts if the Government carried out its intent to revoke the group's licence to import petrol.

Reactor orders for UK engineering companies

Continued from Page 1

the research and development needed to make the company competitive with a handful of overseas specialists in big nuclear forgings.

Sheffield Forgemasters will need to refine its quality control and quality assurance practices in order to qualify for nuclear certification. It will also need to increase its melting capacity for the biggest forgings of a 1,150 MW PWR.

Sir Walter said it was unlikely that this could be done in time for the Sizewell B project. Framatome is expected to forge the pressure vessel for Sizewell B, worth about £10m, subject to a government go-ahead for the project.

But Sir Walter said his proposals to Sheffield Forgemasters were the "next logical step in developing Britain's capability for the manufacture of PWR components and if successful could reduce the import content of future PWRs to an even lower figure."

The CEGB has invited tenders for major parts of the four steam generators needed from four British companies – Babcock, Foster Wheeler, GEC and NEI.

Mr Brian George, PWR project director, said those compenents accounted for about £26m of the primary circuit cost, and British companies were being asked to tender for about two-thirds of their value.

The same four companies plus Vickers Shipbuilders, Head Wrightson and Whessce have been invited to tender for the pressuriser, worth £2m–3m.

Although British industry cannot supply the single-piece castings required by the CEGB for the bodies of the main coolant pumps – they will come from Switzerland – three companies have been invited to tender for the 11 kilovolt motors.

They are NEI, GEC and Lawrence Scott, and the order is expected to be worth about £4m–£5m – about half the total cost of the pumps.

Another contract for which five companies are competing is the reactor head package, worth about £2m, for which NEI, Babcock, GEC, Strachan and Henshaw, James Howden, Flight Refuelling and Fairey have all been invited to tender.

Moscow–U.S. accord on grain sales

Continued from Page 1

over long-range nuclear missiles and proposed talks on banning weapons in space but has stood firm in its opposition to the introduction of U.S. medium-range nuclear weapons into Western Europe.

U.S. officials are in Moscow to discuss technical improvements to the quality of the "hot line" linking the White House and Kremlin. But there has been little real dialogue between the two sides.

The increase in U.S. grain sales to the Soviet Union has provoked some comment from U.S. allies, who have noted that Washington is pushing them to agree to tighter controls on high-technology sales to Moscow. The U.S. has repeatedly argued that grain is not a strategic commodity.

The new grain deal also allows the Russians to buy up to 12m tonnes without prior consultation with the U.S. At current prices, a year's obligatory purchases of 9m tonnes will cost the Soviet Union more than $1bn.

Trade figures hit sterling

Continued from Page 1

tion that the authorities had changed their stance against intervention in relation to the level of exchange rates.

Action by the Federal Reserve to drain money out of the U.S. banking system, by means of an overnight reverse repurchase agreement sent the dollar sharply higher in New York and after-hours in London following a day when it had drifted in European trading.

The Fed move was interpreted in the market as evidence that monetary policy might have been tightened at Tuesday's meeting of the Fed's strategy-framing Open Market Committee. Fed Funds swiftly traded up to around 9⅝ from an overnight 9½ while the 30-year Treasury bond price dropped by nearly a full point.

In early New York trading, the dollar was quoted nearly 1½ Pfg above the London close at DM 2.65, while sterling dropped a further ⅔ of a cent to around $1.50125.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	C	22	72	Dubrovnik	T	18	66	Malaga	S	25	77	Salzburg	F	26	79
Akrotiri	S	30	86	Faro	S	31	88	Malta	C	28	82	Seoul	C	27	81
Algiers	S	30	86	Florence	F	26	79	Manila	C	33	91	Singapore	F	32	90
Amsterdam	S	24	75	Frankfurt	S	30	86	Miami	R	36	97	Stockholm	F	19	66
Athens	S	28	82	Funchal	F	23	73	Milan	F	22	72	Strasbourg	S	26	79
Bahrain	—	—	—	Geneva	C	23	73	Moscow	C	25	77	Sydney	C	18	64
Bangkok	C	32	90	Gibraltar	S	26	79	Munich	C	23	73	Taipei	C	34	93
Barcelona	S	27	81	Guernsey	S	19	66	Nairobi	—	—	—	Tangier	S	26	79
Beirut	S	30	86	Helsinki	C	13	55	Naples	C	26	79	Tehran	S	—	—
Belgrade	F	26	79	H. Kong	C	30	86	New Delhi	C	32	90	Tel Aviv	S	30	86
Berlin	S	24	75	Innsbruck	F	22	72	New York	S	28	82	Tenerife	F	26	79
Biarritz	S	23	73	Inverness	C	21	70	Nice	C	25	77	Tokyo	C	30	86
Blackpool	F	20	68	Istanbul	F	26	79	Oporto	S	22	72	Toronto	S	24	75
Bordeaux	C	22	72	Jersey	F	20	68	Oslo	S	21	70	Tunis	F	29	84
Brussels	S	24	75	Jo'burg	S	15	59	Paris	S	22	72	Valencia	F	30	86
Budapest	F	24	75	Las Palmas	F	26	79	Prague	S	26	79	Venice	R	22	72
B. Aires	C	22	72	Lima	S	22	72	Reykjavik	C	11	52	Vienna	C	21	70
Cairo	S	34	93	Lisbon	F	22	72	Rio de J'o	S	29	84	Warsaw	S	23	73
Cape Town	—	—	—	Locarno	F	22	72	Rome	F	27	81	Zurich	C	22	72
Caracas	C	29	84	London	S	23	73								
Casablanca	S	24	75	Los Angeles	S	29	84								
Copenhagen	S	21	70	Luxembourg	S	27	81								
Corfu	F	29	84	Madrid	C	27	81								
Dublin	C	22	72	Majorca	C	28	82								

Readings at mid-day yesterday:

C–Cloudy D–Drizzle F–Fair Fg–Fog H–Hail R–Rain S–Sun Sl–Sleet Sn–Snow T–Thunder

Mitterrand appeal

Continued from Page 1

He issued equal warnings both to President Habré and the Northern rebels against restarting the fighting – now in a lull for a fortnight. M Mitterrand stressed that French troops would not support any attempt by M Habré to recapture the North.

M Charles Hernu, the French Defence Minister, flew out yesterday afternoon to N'Djamena, partly to make that clear to the Habré Government.

M Mitterrand's interview was welcomed yesterday by both Chad and Libyan representatives in Paris. The Chad Embassy expressed satisfaction at France's firm response to Libyan aggression, while the Libyan Ambassador greeted favourably the President's support for negotiations among Chad factions to end the fighting.

M Mitterrand said a negotiated settlement would have to respect the "integrity" and "sovereignty" of the country. On the idea of a federal solution, he said: "A federation is often more in line with reality than a formal unity which is constantly being broken." But the emphasised that it was up to Chadians, not France, to decide on the matter.

Responding to criticism that France had underestimated Libya's war plans, M Mitterrand said France had not wished to intervene in a "preventative" war.

Australian bank aims to raise A$127m with issue

By Lachlan Drummond in Sydney

THE NATIONAL Commercial Banking Co of Australia intends raising A$127m ($113m) through a one-for-four rights issue to bolster the ratio of shareholders' funds to total assets.

The announcement of the issue came on the day the Reserve Bank of Australia's annual report was released saying that further erosion of Australian banks' capital ratios should be avoided.

The National issue and the Reserve Bank's comments suggest that the largest private bank, Westpac, will also soon seek to restore ratios distorted by the mergers late in 1981 and the growth of overall business at a time of pressure on earnings for all the banks.

While the Reserve Bank sets no specific capital adequacy ratios, it is generally agreed between the banks and the Reserve Bank that shareholders' funds should represent at least 5 per cent of the balance sheet, giving a gearing ratio of 20 to 1.

At its last September 30 balance date the National's A$20.52bn group balance-sheet total was supported by shareholders' funds of A$918m, a ratio of almost 4.5 per cent for shareholders' funds, a level above which it will rise comfortably with the inclusion of retained earnings for the current year, and the coming capital injection.

At the same date, shareholders' funds at Westpac represented 4.75 per cent of a balance-sheet total of A$31.3bn and the bank confirmed yesterday that it had several options available to boost its capital adequacy.

Shareholders' funds of the third private bank – the ANZ were comfortably above 5 per cent of its total assets of A$20.8bn at September 30 last.

There was no sense of alarm in the Reserve Bank's statements, which, while noting the erosion of the capital ratios, said: "These ratios on the whole compare well with those of banks in other countries."

It went on: "The bank has no statutory power to set specific guidelines for banks' capital ratios but it has advised banks that additions to their assets should not leadto a weakening of their capital ratios."

Meanwhile, the National rights issue has been priced at A$2, substantially below the recent trading price of A$3.22 and a net asset backing per share of A$3.57.

This is the first call on funds for six years and, of course, the first since the merger of the National Bank of Australasia and the Commercial Banking Co of Sydney.

Westpac, which made a similar scrip offer to take over the Commercial Bank of Australia at the same time, yesterday questioned whether the market might suffer indigestion should it push out more paper for cash at the moment.

However, at least one option was firmly closed yesterday for Westpac by the Reserve Bank's strong enunciation of its opposition to the inclusion of subordinated debt in capital adequacy equations. Both the National and Westpac earlier this year issued bonds into the Euromarket, with Westpac strongly supporting the view that at least part of its A$100m issue should be included in assessing capital adequacy.

Mr Stan Davis, Westpac's general manager of finance, said yesterday the question of subordinated debt remained to be resolved. The Reserve Bank's opposition rests on the inability of such debt to absorb losses, its lack of permanence, its fixed financing cost and the addition to liabilities it represented. It noted, however, that it could improve the maturity and currency matching of bank's assets and liabilities.

Korf Industries sells two subsidiaries

By Terry Dodsworth in New York

KORF Industries, the U.S. subsidiary of Korf Industry Handel, the troubled West German steelmaker, has sold two of its main operating subsidiaries as part of a capital reconstruction designed to reduce its heavy debt burden.

The U.S. company said yesterday that it had now reached a full settlement with the bank consortium led by North Carolina National Bank, to which debts of about $150m were outstanding.

Under the sale agreement, Midrex, a steel engineering technology concern, is being acquired by Kobe Steel of Japan for well in excess of $20m, while Georgetown Texas Steel has been disposed of to Cargill of Minneapolis for about $80m.

THE LEX COLUMN

Load bearing at Blue Circle

The Blue Circle share price played hopscotch across the jobbers' books yesterday, jumping from 445p to 470p at the initial sight of the £48.2m pre-tax figure for the first half, and tumbling to 423p when a closer reading revealed a change in depreciation policy, to close at 428p.

To fall in line with the 1981 Companies Act, the company has eliminated part of its supplementary depreciation, flattering the figures by £9.9m, and on a comparable basis profits have been squeezed by 6½ per cent.

Depreciation policy aside, the results suggest that the worst may be over. Mexican attributable profits were £1.7m, with the restoration of selling prices in dollar terms providing some compensation for the 40 per cent decline in output.

Chile, too, is in profit and in the current half results in both countries should comfortably exceed the depressed levels of the same period last year. In the UK, the threat from imports is receding, and after 20 months of freeze, prices now look more in line internationally.

The outcome for the year should be very close to last year's £107.8m, so the company has held the decline from the 1981 peak to about 12 per cent – or 20 per cent including the judiciously-timed exceptionals of that year.

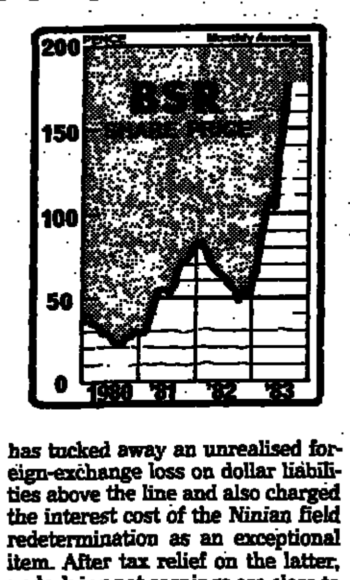
The benefits of the spread of the portfolio through the developing world have been underlined by some balancing gains in Nigeria and Malaysia, while the contribution from Armitage should double.

With a prospective p/e of about 7½ on a 30 per cent tax charge, the company's rating is firmly in the bottom sixth of the FT 30-share index. Yet it provides the purest exposure to Third World recovery, with little downside. Any recovery is at least 18 months away, but anxiety about buying into the stock in good time may develop well in advance.

Britoil

After a disastrous coming out, Britoil is making an attractive showing as a debutante. Its maiden interim statement underlines the solidity of the group's earnings base and also confirms its reputation for taking accounting rectitude to almost preposterous lengths.

Net income for the six months to June is stated as £53.2m, a figure which initially caused some alarm in the City yesterday. But Britoil



has tucked away an unrealised foreign-exchange loss on dollar liabilities above the line and also charged the interest cost of the Ninian field redetermination as an exceptional item. After tax relief on the latter, underlying net earnings are close to £70m.

Britoil generated positive cash flow of £109.5m over the period, thanks to a capital spending trough. The cash gusher will be capped in the second half as spending is stepped up from £150m to perhaps £250m, but by the year-end the group will be seeing the revenue benefit from the South Brae field, which should be yielding around 7,000 b/d to Britoil. Moreover, Ninian production will benefit from the higher equity interest and Statfjord should still be expanding.

So, even with gowing capital commitments, Britoil has the flexibility to diversify its asset base, either through acreage swaps or outright acquisition. Understandably, it is moving slowly. The quickest progress is being made by the share price, which, after a 6p rise yesterday, stands well clear of the tender price at 244p.

BSR

BSR has amply rewarded the faith shown by its shareholders in the rights issue earlier this year. Not only are profits for the half year to June far in excess of what could have been expected only a few months ago, but the company has also trumped its earlier promise of a nominal dividend this year with a qualified commitment to pay a proper final.

Since the year-end, short-term debt has been almost eliminated, shareholders' funds have more than doubled and, even after allowing for the steep increase in long-term borrowings, overall net debt has fallen from 130 to 30 per cent of net worth.

This has provided the new managers with a safe harbour from which to go into action. The cost of closing Capetronic in the U.S. ended up £1m higher than had been provided for, but, elsewhere, rationalisation has been running to budget. Astec contributed substantially all the operating profits of £8.6m in the half year but, with Capetronic now restructured in the Far East and the UK looking much leaner, a slightly more balanced performance can be looked for from now on.

With Astec going strong, profits for the full year could easily top £20m pre-tax so, even after its recent hair-raising run, the shares – up 8p at 178p yesterday – may still have some adrenalin left.

Carpets International

The Deep South tones of its new U.S. chairman are not the only symptom of a born-again mood at Carpets International. The shares, closing last night at 71p, have soared from 11p in the wake of the April flotation of Interface Flooring Systems in the U.S. – revaluing CI's 26 per cent stake in what is now its effective parent – and yesterday's interims suggest CI itself has taken ready advantage of the concurrent restructuring of its own balance sheet: pre-tax profits of £0.8m end three years of heavy losses.

CI's net borrowings have fallen from 89 to 57 per cent of shareholders' funds since the end of 1982, leaving some way still to go along the same path as BSR.

Total debt at £17.5m includes the crucial £2.4m loan from Interface to pay for major redundancies, helping CI finally to extricate itself from the vicious circle travelled since 1979.

The wonder is that CI should have managed to hold on to its 12 per cent share of the UK manufacturers' market while shedding its 750-strong head office staff. This plus some further consolidation of its plant sites has lifted profit margins again and produced a positive cash flow on the back of a good recovery in demand.

Perhaps CI, with over £5m to spend on new tooling, might now hope to emulate in its own markets some at least of Interface's success in the U.S.

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SECTION II – INTERNATIONAL COMPANIES
FINANCIAL TIMES
Friday August 26 1983

SE Banken forges closer equity links with Volvo

BY KEVIN DONE IN STOCKHOLM

SKANDINAVISK Enskilda Banken, Scandinavia's largest bank, has strengthened its links with Volvo, the Nordic region's dominant industrial corporation with automobile, energy and food interests.

Swedish banks are prevented by legislation from holding shares directly in companies, but two investment companies closely related to SE Banken, Providentia and Investor, have bought dominating stakes in Forsinvest, a small investment company but one of the largest single share holders in Volvo with voting rights of around 6 per cent.

In a deal worth around SKr 300m ($38.4m) Providentia and Investor have bought a 50 per cent share in Forsinvest.

Various interests closely associated with or related to SE Banken, such as the Providentia, Investor and Custos Investment Companies, Boliden, the metals and mining group, and the bank's pension fund together control around 20 per cent of the voting rights in Volvo.

Many of the major Swedish industrial corporations are closely associated with SE Banken, an influence that owes much to the all pervading presence in Swedish banking and industry of the Wallenberg family. Mr Marcus Wallenberg, who died last year, was for many years chairman of both SE Banken and many of Sweden's biggest companies.

Volvo has traditionally been closer to the sphere of influence of Sweden's second largest private commercial bank, Svenska Handelsbanken, but in terms of voting rights it has now been clearly overtaken by its main rival SE Banken.

Mr Pehr Gyllenhammar, chairman and chief executive of Volvo, last year became a full board member of SE Banken. During 1982 Volvo widened its influence in Swedish industry, buying substantial shareholdings in Atlas-Copco, the maker of pneumatic and hydraulic equipment for the mining and construction industries, and in Stora Kopparberg, the forest products and power group. Mr Wallenberg was previously chairman of both companies.

Mr Wallenberg's son Peter has taken over as chairman of Atlas-Copco, Providentia and Investor and is a vice-chairman of SE Banken.

Harvester to lay out fresh survival plan

BY TERRY DODSWORTH IN NEW YORK

INTERNATIONAL Harvester will hold a preliminary meeting with its bankers today to lay out a new survival plan to be hammered out before its current bank support package runs out in mid-December.

Detailed negotiations with the 200 banks which first agreed to bale IH out of its difficulties two years ago are expected to begin in about a fortnight's time. These will carry on separately from the exploratory talks now being held in Europe on a plan for a partial hiving - off of the group's French and West German operations.

While details of the company's proposals have yet to be published, IH is expected to ask its banks to convert a substantial proportion of its debt into equity, while agreeing some new credit lines. As part of the December 1981 agreement, IH has $3.4bn of term loans in its parent company and credit subsidiary due to expire on December 15.

The company said yesterday that prospects in the truck market had been picking up

But hopes of an improvement in trading depend upon the restructuring of the balance sheet, which slipped into negative net worth after the group's third – quarter operating losses of $101m. The company said yesterday, however, that its negative worth figure is still substantially above the $200m floor agreed with the banks in the 1981 accord.

Westland-Utrecht holds losses at Fl 14.7m

BY WALTER ELLIS IN AMSTERDAM

AN IMPROVEMENT in the operations of its property sector helped Westland-Utrecht Hypotheekbank, the largest Dutch mortgage bank, to hold its first-half losses to Fl 14.7m ($5m) – a 30 per cent improvement on the opening six months of 1982.

Westland-Utrecht has been in deep trouble for several years as a result of the collapse of the Dutch property market in 1979. At one point, there were even fears it would collapse. It made a loss of Fl 144.7m last year and had to set aside a total of Fl 175m as provision against debt.

This year, the operating result jumped to Fl 10.3m to the end of June, against only Fl 5.3m in the same period in 1982, and the net result for 1983 is forecast to show a continuing improvement in the bank's fortunes.

Central to the recovery – still, as yet, only tentative, was the sale earlier this year of property priced at Fl 375m. The real estate sold included the bank's own projected new headquarters in Amsterdam, due to be occupied in December.

The property sector as a whole recorded an operating loss of Fl 19.3m in the first half, compared with a deficit of Fl 27.6m 12 months previously.

Wigmores suffers 42% drop in earnings

By Our Sydney Correspondent

WIGMORES, the vehicle chosen by Mr Robert Holmes à Court in his controversial bid for Australia's largest company, BHP, yesterday announced a 42 per cent drop in net earnings for the year to June. At A$2.9m ($2.6m) these were just over 1 per cent of BHP's figures for last year.

Wigmores also yesterday served on BHP the formal offer documents for its bid, containing only the normal escape clauses of no major change in BHP's circumstances, but no minimum level of acceptances.

Meanwhile, BHP said it would, if possible, respond within 14 days to the formal part A offer from Wigmores, a move which would leave Wigmore's responsible for mailing the offer and response to BHP's 180,000 shareholders, an expensive proposition should BHP produce a voluminous report.

The earnings reversal at Wigmores – now 33 per cent – owned by Holmes à Court's Bell Group was taken into account before the offer was made and Mr Holmes à Court repeated his assurance yesterday that acceptances for up to 4 per cent of the capital of BHP could be serviced with dividends from the earnings.

BankAmerica credit rating lowered

By William Hall in New York

BANKAMERICA Corporation, the biggest bank holding company in the U.S., has had its credit rating lowered by Standard and Poor's, the U.S. credit rating agency, for the second time in a year.

Standard and Poor's yesterday reduced the rating on Bankamerica Corporation's senior debt obligations from AA+ to AA–.

A year ago the bank holding company, in common with several other big U.S. banking groups, lost the Triple A credit rating which it had held for many years. Standard and Poor's said the rating changes reflect reduced profitability, largely a result of continued pressure on the company's net interest margin. Contributing to the decline in the margin has been deposit deregulation. Weak asset quality, as shown by a high level of non-performing assets, has resulted in interest reversals and increased loan loss provisions, says the rating agency.

BankAmerica Corporation, which recently rescued the Seafirst Corporation, which had been hit by losses on its energy lending, is one of a few major U.S. banking groups whose capital ratios were below the new minimum guidelines introduced by Federal banking regulators earlier this summer. Standard and Poor's says that Seafirst is not expected to produce any incremental earnings contribution for BankAmerica Corporation in the near term.

Norsk Hydro predicts better results

By Fay Gjester in Oslo

NORSK HYDRO, the Norwegian industrial and energy concern, now expects overall results for the current year to show a "definite improvement" on 1982, company president Mr Odd Narud, said yesterday. In its report for 1982 the group predicted 1983 profits and sales would be about the same as those achieved last year.

Market conditions have improved for several of the company's main products, Mr Narud said. This had improved profitability both through higher capacity utilisation and, to a lesser extent, through the higher prices obtained. Cost trends had been more favourable – thanks largely to more effective cost control – and new activity had also made a contribution.

Although the financial results for both light metal and petrochemical products were significantly better than in the first half of 1982, it was still oil and gas, followed by fertilisers, which accounted for the greater part of the group's profits. It was announced yesterday that Mr Torvild Aakvaag will become Norsk Hydro's president on March 1 next year, when Mr Narud retires after heading the company since 1977.

A MAJOR HONG KONG SECURITIES FIRM TODAY FACES A CRUCIAL VOTE ON ITS FUTURE

The fluctuating fortunes of Sun Hung Kai

BY ROBERT COTTRELL IN HONG KONG

SOMEBODY in Sun Hung Kai Securities appears to have both a sense of humour and a taste for science fiction. In the roll-call of the Hong Kong broker's six dozen subsidiaries the last entry on the list is "Zaphod Beeblebrox Limited (formerly known as Sun Hung Kai-Bear Sterns U.S. Securities) – principal activity U.S. securities broking."

Zaphod Beeblebrox was the two-headed entrepreneur in the "Hitchhikers Guide to the Galaxy."

The Bear Sterns tie-up was SHK Securities' link into the U.S. stock markets until May last year, when Merrill Lynch, the leading U.S. broker, bought equity stakes of 25 per cent in SHK Securities and 15 per cent in SHK Bank. Most of the shares came from Mr Fung King Hey, founder of the 14-year-old SHK group. To appreciate what has happened to SHK in the months since Merrill Lynch's move, it may indeed help to have a sense of humour – to say nothing of a taste for the unexpected.

Merrill Lynch has had to grin and bear plummeting SHK stock prices, adverse currency movements, losses at SHK Securities, a funding package to save an SHK property offshoot, and latterly a package of indemnities to save SHK Bank from the full force of its bad debts. Today comes the decisive step in a tidying-up operation designed to merge SHK Bank and SHK Securities under a new holding company, reversing the operation by which the two companies were split up in 1979. With the "big three" shareholders – Merrill Lynch, Paribas and Mr Fung – supporting the proposals, their success is virtually assured.

Some Hong Kong analysts say the merger terms are overly favourable to SHK Bank shareholders, who will control 51 per cent of the merged company. But such squabbling has a hair-splitting quality about it, given the support already extended to SHK by its majority shareholders. "The minority shareholders," says one analyst bluntly, "are lucky to be alive."

Life could also have got tough for Mr Fung, once a 13 cents-a-day dockyard coolie, now one of Hong Kong's premier financiers, if he had not struck last year's deal with Merrill Lynch. While SHK floundered into Hong Kong's property-and-shares crash, the Merrill Lynch shares which Mr Fung received in exchange for parcels of his SHK equity soared. In March this year, Mr Fung sold half his Merrill Lynch stake to realise $88m – all of it profit.

Meanwhile, the 42 per cent stake in SHK Bank, 36 per cent stake in SHK Bank and 36 per cent stake in SHK Securities which Mr Fung still held after the Merrill Lynch deal would be worth around HK$300m ($40.3m) at today's market prices, against HK$760m in May last year. And the money which Mr Fung raised through the Merrill Lynch sale is thought to have been used entirely for funding Sun King Fung, a Hong Kong property developer which was a subsidiary of SHK Securities in the pre-Merrill Lynch days, an associate immediately afterwards, and is now controlled by Mr Fung himself.

Sun King Fung lost HK$493m in 1982, and was estimated by analysts to have no net worth when, in March this year, Mr Fung took out SHK Securities' 46.6 per cent stake by swapping it for a 13.34 per cent stake which Mr Fung held in a local television station, TVB. Sun King Fung's performance was largely responsible for SHK Securities's 1982 losses. It also appears to account for most of the HK$137.6m "due from associated companies" to SHK Securities at year – end 1982 – subsequently repaid following Mr Fung's buy-out.

If it was dubious wisdom to commit a stockbroking company to property in the first place, Mr Fung is praised in Hong Kong for having taken it out again. To fund Sun King Fung, he Merrill Lynch and Paribas have put up HK$380m in long-term loans.

The final demand on the Fung-Merrill Lynch-Paribas trio has been for HK$282.5m in specific and floating guarantees on SHK Bank's HK$2.7bn loan book. SHK Bank is thought to have some dubious property exposure, to the Carrian Group among others. Specific indemnities represent HK$102.5m of the endowment – a measure of the damage which could have been done this year to the HK$436m of shareholders' funds which SHK Bank showed at year end – 1982.

Moderate advance for Veba

By John Davies in Frankfurt

VEBA, the West German energy and industrial concern, has made a moderate advance in profits in the first half of this year despite a drop in sales revenue.

The group's net profits rose to DM 149m ($56.6m) compared with DM 134m in the first half of last year – while sales revenue slipped 5 per cent to DM 23.7bn.

Veba, which is about 44 per cent-owned by the West German Government, reduced its losses in oil refining and lifted profits in trading and transportation, but results in electricity generation were lower.

Herr Rudolf von Bennigsen-Foerder, the chief executive, told a shareholders' meeting in Duisburg yesterday that full-year results would be better than last year. The group reported a net profit of DM 433m for 1982, down nearly 20 per cent, but the parent company held its dividend at DM 7.50 per DM 50 share for the fourth year in succession.

Ampol profits up 7.8% in full year

By Our Sydney Correspondent

AMPOL, the Australian oil group, has reported a 7.8 per cent increase in net earnings from A$43.5m to A$46.9m ($41.7m) for the year to June.

The figure includes half-year results from the Total refining and marketing operations acquired at the end of 1982, which contributed a A$1.24m loss and added substantially to interest charges on Ampol's assumption of its A$100m borrowings.

Interest charges came to A$25.2m for the year compared with A$17.5m, with almost A$17m falling in the final six months. However, tax losses built up by Total from previous years trimmed A$3.4m from the potential tax bill to leave it at A$31.8m against A$29.8m. Total added A$200m to sales, which were 36 per cent higher at A$1.15bn.

The inclusion of the Total operations reduced an otherwise steady return from the Ampol petroleum division, which offset the effects of a fire at its refinery by including anticipated returns from insurance claims.

The major upward influences on the results were a 16 per cent improvement in annual earnings to A$22.5m by the 49 per cent – owned exploration and production offshoot; an improvement of around 30 per cent from the half-owned Nabarlek uranium project whose 1982 contribution was A$9.7m; and a similar gain from A$2.2m by the group's share of the Ocean Digger drilling rig.

New finance chief for Warner Amex

By Our New York Staff

MR JACK MESSMAN has been brought in as chief financial officer of the loss-making Warner Amex cable TV group. His appointment is the latest in a series of top management changes which have been taking place since Mr Drew Lewis, former U.S. Secretary of Transportation, was brought in as chief executive in February.

Mr Messman, who comes from Safeguard Scientifics, where he was responsible for the acquisition and management of high technology companies, replaces Mr Holmes Harden, who has resigned as chief financial officer. Mr Harden joined Warner Amex in 1981 and his departure means that the senior management team at the company has completely changed since February.

Cheaper crude brings surprise first-half rise for Arabian Oil

BY YOKO SHIBATA IN TOKYO

ARABIAN OIL, Japan's largest oil producing company, which has concessions in Saudi Arabia and Kuwait, lifted unconsolidated pre-tax profit by 8.1 per cent to Y87.7bn ($362m) in the first half-year to June 1983.

The parent company's half-year net profits were Y946m, up 31.3 per cent on sales of Y249bn, a rise of 13 per cent from Y220bn in the previous year.

At the outset of the current half-year, earning setbacks were expected since the company had suffered a profit downturn over the past two years due to lower demand for oil. Better-than-expected earnings were attributed to higher volume sales of crude oil as a result of lower selling prices. The company said that the price of crude oil declined by 16 per cent on average during the half year.

Sales grew in volume terms by 35.9 per cent.

The company has concessions in the Khafji oilfield in the neutral zone territory between Kuwait and Saudi Arabia. Khafji oil accounted for 98 per cent of its total oil sales, up by 62.2 per cent. Khafji crude oil sells at about $3 per barrel less than Arabian Heavy of a similar quality.

In addition, the repurchasing cost of Khafji crude oil bought from Kuwait and Saudi Arabia, following the cut in Opec crude oil prices, also contributed to the earnings improvement.

For the current half-year, ending in December 1983, the company expects continued expansion of volume sales if the price differential of Khafji oil with Arabian Heavy remains unchanged. Sales are forecast to rise by 40 per cent over first half figures.

Manila near borrowing target

THE PHILIPPINES' foreign borrowing for 1983 is nearly complete, with $1.8bn of the targeted $2bn already raised, according to Mr Jaime Laya, governor of the country's central bank.

In an interview, he also said the country had begun negotiations with the International Monetary Fund on a standby credit for 1984 to replace the $315m, one-year facility approved in February.

The $2bn, which is the country's ceiling for borrowing from banks and official sources, will help to cover the expected $2.5bn current account deficit, but the overall balance of payments shortfall will be $600m, Mr Laya said.

Last year's external borrowing figure was $2.4bn, and with a current account deficit of $3.3bn, the overall deficit totalled about $1.1bn.

The 1983 deficit will be more than covered by drawdowns on the existing IMF standby credit and private banks' reserves. If the deficit rises, however, the central bank would have to draw upon its $2.3bn in total reserves.

Next year's foreign borrowing requirement will be similar to 1983's, he said, as the servicing cost of the Philippines' fixed-term debt cannot exceed 20 per cent of the previous year's foreign exchange receipts, and exports have been depressed by the world recession.

Currently this debt service ratio is 19.6 per cent, against 19.4 per cent last year. The fixed maturity debt represents $13.5bn of the country's total foreign debt of $17bn.

"For next year we will probably have the same ($2bn) ceiling," Mr Laya said. "We are at 19.6 per cent so we really could not go much further."

But next year the World Bank's consultative group on the Philippines is expected to provide a larger share of this total, some $1.4bn in official credit compared with $1.2bn this year, he noted.

External deficits and the build-up of foreign debt have been a direct result of the Philippines' moves to reduce its dependence on imported energy. The country now produces nearly 40 per cent of its energy requirements, compared with only 5 per cent in 1973. The percentage could climb to 50 per cent in the next two years, following development of the country's nuclear power programme.

Reuters

Kosmos in move to diversify

By Fay Gjester in Oslo

NORWAY'S Kosmos shipping group is seeking to acquire control of one of the leading wood products companies in eastern Norway, Saugbrugsforeningen, in a deal worth around NKr 50m ($6.7m).

Dealings in the target company's shares on the Oslo stock exchange were suspended on Wednesday when the takeover plans became known. Their price was then NKr 160 (60 per cent above par).

Kosmos, which already holds about 17 per cent of the company's 500,000 shares after heavy buying during the past few months, wants to secure at least 50 per cent. Its offer to shareholders is expected to be around NKr 200 per share.

The group, which has interests in industry and offshore – related activities, as well as shipping, has ample liquid funds after a series of profitable ship sales last year. The purchase of Saugbrugsforeningen is in line with its policy of diversifying away from shipping.

Saugbrugsforeningen produces electricity, paper, packaging, pulp, sawn and planed timber, alcohol and liquid fuel. Like many Norwegian forest products companies, it has been through some lean years, partly owing to heavy investment in anti-pollution equipment as a result of tougher Norwegian regulations.

Last year it made a loss of NKr 56m, on turnover of NKr 800m. Recently, however, it has managed to cut costs and increase productivity, and in the first half of 1983 achieved a profit of NKr 15m.

Britoil turns in £275m after first six months

IN THE first half of 1983, Britoil, oil and gas exploration and production group, made a pre-tax profit of £275m, on a turnover of £569m.

The company says that no direct comparison is possible with the corresponding period of 1982. But pro-forma results (summarised in the accounts for the five months to December 31 1982) show a taxable profit of £514m, on £1.09bn turnover, for the 1982 calendar year.

These pro-forma results were prepared by combining the results—adjusted for notional interest as shown in the offer for sale prospectus—for the seven months from January 1 to July 31 1982 (during which the business was owned by BNOC) with Britoil's results for the five months to December 31 1982.

After-tax profits for the first half of 19[illegible] came to £53m (£102m pro-forma for 12 months). The provision for petroleum revenue tax and corporation tax amounted to £221.6m, while actual payments were £163.4m. Earnings per 10p share were stated at 10.64p and there is an interim dividend of 3.3p net—last year, 3.75p was paid for the five months to the end of December.

First-half operating profits totalled £287.2m and included a provision for unrealised currency losses of £12.4m, resulting from the revaluation at June 30 of the amount drawn down from a \$400m loan facility.

Exploration activity involved a total expenditure of £47.5m on the UK Continental Shelf and £5.8m overseas. An amount of £38.7m was written off during the period to profit and loss account.

The company generated a positive cash flow in the period of £109.5m.

Production of crude oil in the period amounted to 147,900 barrels per day (146,800 bpd in 1982) and gas averaged 199m cu ft per day (215m cu ft per day).

The daily average field by field production rates attributable to Britoil in the periods were:—oil fields (bpd): Thistle 20,400 (23,100), Beatrice 8,100 (9,300), Dunlin 7,200 (7,800), Ninian *62,000 (63,600)*, Statfjord 20,000 (12,400), Murchison 30,200 (30,600), making 147,900 (146,800). Gas fields (mcuftpd): Viking *196 (213)*.

In March, the board approved development of the first phase of the Margham Feld in Dubai. First production is expected early in 1985. Britoil has a one-*third interest in this concession* where ARCO is operator.

The Ninian Field redetermination increased Britoil's interest from 20.73 per cent to 21.37 per cent, equivalent to more than 6m barrels of recoverable reserves. The make-up oil (2.5m barrels) resulting from the higher equity share will be obtained in the *second half of 1983 and in 1984.*

In April, a three month production test was commenced in the Britoil operated area 1, west of the Thistle Field. The test continued *into* July and the well produced at an average rate of 11,500 b/d, which was better than anticipated. Area 1 partners are considering development options for the accumulation.

In June, the Department of Energy approved the development of the North Brae gas condensate field, in which Britoil has a 20 per cent interest. Field recoverable reserves are estimated by partners at some 200m barrels of condensate and in excess of 600bn cubic feet of natural gas.

In June, Britoil announced agreement of a joint venture partnership with Amerada Hess, which gave Britoil access to Amerada Hess acreage in North Dakota, Wyoming, Texas and Louisiana. The agreement involves a 17 well drilling programme.

Last month, South Brae, in *which Britoil has a 20 per cent* equity interest, came on stream and *on* August 1, the DoE approved development of the Victor gas field, in which Britoil has a 25 per cent interest.

See Lex

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Bath & Portland	int.	2.5	Sept 26	2.5	—	6
BBA Group	int.	0.84	Jan 6	0.84	—	1.74
Blue Circle	int.	6	Oct 17	6	—	18.25
Britoil	int.	3.3	Oct 14	—	—	3.75§
BSR Intl.	int.	0.5¶	—	Nil	—	Nil
Dale Electric		2.8	—	2.3	4	3
Lec Refrigeration	int.	4	—	2.75	—	8
House Property	int.	3	—	1.5	—	6
Moran Tea		1	—	Nil	1	1
Refuge Assurance	int.	7**	—	5	—	16.75
Rohan Group‖	int.	5.85	Sept 26	5.85	—	12.75
SAI		6.5	Oct 31	5.75	—	16.5
Saville Gordon		2.38	Oct 28	2.22	3.38	3.22
Sunbeam Wolsey‖	int.	1	Oct 12	Nil	—	3
Queens Moat	int.	0.61†	Oct 13	0.61	—	1.21

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § For five months. ¶ A final of not less than 1.5p forecast. ‖ Irish currency throughout. ** Increase to reduce disparity.

J. Saville Gordon drops £0.5m

ON LOWER turnover of £17.96m, compared with £19.19m, the **J. Saville Gordon Group** returned pre-tax profits of £586,000 for the year to April 30 1983, a drop of £498,000 on the figures of the previous year.

Trading results for the early months of the current year show that all three divisions are operating profitably and given a reasonable degree of stability, the directors believe that a significant improvement can be achieved.

With this in mind they are raising the final dividend from 2.221p to 2.382p, making a net total of 3.382p, against 3.221p previously.

Pre-tax results were struck after allowing for higher interest charges of £403,000 (£110,000). Earnings per 10p share emerged at 2.9p (6.1p) after tax of £232,000 (£344,000).

A divisional breakdown of turnover and trading profits, £989,000, against £1.19m, shows: pipeline equipment and engineers merchants £8.93m (£7.28m) and £210,000 (£556,000), metal trading and scrap processing £10.31m (£11.66m) and £239,000 (£522,000) and property investment £721,000 (£253,000) and £540,000 (£116,600).

Carpets Intl back to profits with £0.8m

FOR THE first time in three years **Carpets International** has made a profit at the pre-tax level. In the six months to July 2 1983 there was a £3.77m turnround from losses of £2.98m to profits o f£790,000, with most of the improvement coming from Europe which returned a small profit of £30,000 against a £3.98m loss.

Turnover slumped from £54.4m to £40.7m but there was a trading profit this time of £990,000 compared with a £1.96m loss. Interest took £1.07m against £1.79m and associated companies profits of £790,000, with most of £870,000.

Harsh cut-backs in recent years were intended to bring the company back to profitability by 1983 and Mr R. Anderson, chairman, says that while improvement will continue to be made in the company's manufacturing, products marketing, planning and control systems, the essential elements are now in place.

It is with a renewed sense of purpose and direction, therefore, that the company enters the next phase in its process of recovery, he says.


Mr William Trow, executive deputy chairman

The group's sale of a portion of its shareholding in Interface Flooring Systems Inc generated £5.54m before tax, and approximately half of the net proceeds *has been earmarked for capital* investment projects specifically aimed at improving the company's competitiveness and product capability.

The company made a slightly higher profit in America of £880,000 against £790,000, but fell into the red both in Asia and Australia with losses of £100,000 (profit £150,000) and £20,000 (profit £60,000) respectively.

Tax took £460,000 (£580,000) and there was a minority credit this time of £50,000 (debit £130,000) giving earnings per share of 1.6p (loss 15.6p).

The balance sheet at July 2 1983 shows an increase in shareholders interest of 30 per cent to £28.79m (£22.08m).

Tilley Intl. in red

A substantial decrease in export sales adversely affected trading profits of Tilley International, in the six months to April 2, 1983, and at the pre-tax level the company fell from profits of £48,000 to losses of £9,000.

Turnover of this light engineering manufacturer (a subsidiary of Stonehage of Holland) was down from £1.49m to £850,000. The loss was struck after depreciation *£22,000* (£54,000), interest £18,000 (£33,000), and exceptional debits *£13,000 (£27,000).*

The directors say that the current outlook indicates little change.

There was again no tax charge and the loss per share was 2.51p (earnings 9.28p).

Sunbeam Wolsey

Although taxable profits of Cork-based Sunbeam Wolsey are shown to have risen from I£174,000 to I£378,000 for the first half of 1983 the directors say trading conditions remained depressed and the improved result was primarily due to closure of loss-making subsidiaries.

However, second half trading is expected to show improved results and meanwhile, interim dividends are being restored with a net payment of 1p—a final of 3p was paid previously.

Blue Circle held back by higher interest charges

A £5.6m INCREASE in net interest payable has hit the profit of **Blue Circle Industries** for the *first half of 1983. From a* restated £51.5m, this year's profit has fallen to £48.2m. The interim dividend is held at 6p per share.

This year's profit has benefited to the extent of £9.9m following a change in the depreciation charge — no additional depreciation has been charged to take account of inflation. The 1982 results include this change and are revised to the exchange rate ruling on December 31 1982.

For the 1983 period turnover advanced from £375.7m to £408.6m. The trading profit rose from £55.8m to £58.1m, including associates £19.4m (£17.8m), and was earned as to:—UK and Ireland *£25.7m (£27.3m)*; Australasia £4.6m (£5.6m); Africa £14m (£12m); The Americas £6m *(£4m); Asia and the Middle East* £7.8m (£6.9m). Exchange rate movements have reduced profits by £300,000. The increase in interest payable was mainly the result of the acquisition in the U.S., and interest previously capitalised but now charged against profit in overseas subsidiaries.

After tax £15.1m (£14.8m) and minorities *£4m* (£3.8m), the net attributable profit came to £29.1m (£32.9m), for earnings of 26.5p (31p) per share. Last time there was also an extraordinary credit *of* £17.3m.

At home, cement deliveries were up from 3.6m to 3.9m tonnes, but the profit fell by £1.6m mainly because of a £1.3m redundancy charge, development costs associated with conversions at Northfleet and Shoreham, and a higher general level of repair costs. Full effect of the cost savings measure being undertaken will be felt more as the year progresses.

Armitage Shanks performed well and contributed £5.2m to operating profit, showing a rise of £1.6m which was all earned in the UK.

The American acquisition has already made a contribution to profit. The companies in Nigeria and Malaysia have made substantially higher profits, but in Mexico and Chile conditions are still difficult although the companies are trading at a profit.

See Lex

Setback for Bath & Portland

SUBSTANTIAL losses in civil engineering have drained the profits of the Bath & Portland Group in the half year ended *April 30 1983. But that side of* the business is being sold leaving, the directors believe, the group *with a sound basis* for future growth.

To confirm their confidence in the future and having regard to the financial strength of the group, they are maintaining the interim dividend at 2.5p net per share *and*, in the *absence* of unforeseen circumstances, will hold the final at 3.5p.

For the half year the group made a profit of £1.73m, against £2m. But this is pulled down to £163,000 (£1.78m) after losses of £1.56m (£0.22m) on the civil engineering side. In the light of this and following the problems with a major contract in Iran, the directors have decided it is difficult to give the support needed by an international civil engineering subsidiary if it is to be successful.

Accordingly, the group has made arrangements in principle to sell its interests in this field *to I.C.E.C. Contractors, a Jersey* registered company indirectly owned by LTA, which is a member of the Anglo American Group and which holds 20.9 per cent of Bath and Portland.

As well as the civil engineering loss, the half year has been affected by a change in the accounting treatment for Meditech Engineering, and *expenditure in the period has* been charged against profits. Exclude those two items and the profits were slightly better than the corresponding period, the directors claim.

The policy is *to* continue to develop the group through four divisions — minerals; construction; agriculture; and instrumentation and engineering. The underlying strength of the principal established businesses should ensure that they continue to perform well throughout the balance of the year.

The profit for the half year was made up as to: minerals, £845,000 (£524,000); construction, £503,000 (£816,000); agricultural, £680,000 (£283,000); instrumentation and engineering, loss £341,000 (£383,000 profit); associate, £48,000 (nil); civil engineering, loss £1.56m (£222,000); interest debit, £9,000 (£5,000).

● comment

Civil engineering has long been Bath and Portland's biggest burden and this time it was almost entirely responsible for a decimation of interim profits. The market was relieved that B and P is pulling out of that business, and encouraged by a 61 per cent increase in minerals profits, it marked the shares up 12p to 114p. By the end of the *year, B and P should* have seen the end of the civil engineering losses—having completed its outstanding contracts — and the deconsolidation of £3m debt from that division will leave it with a clean balance-sheet. Marples Ridgeway will find a more appropriate home among Anglo American's construction interests and the *multinational's indirect* stake in B and P should ensure a smooth transition. Although the provisional payment now looks out of line with net assets, the latter should decline by the year end as further losses come through. B and P was unable to support the costs *of* competing internationally construction majors in a shrinking market. Now it is finding itself up against giants like Toshiba and GEC in body scanners, where a change in accounting policy also contributed to the profits decline. Mindful of the moral of its civil engineering experience, B and P is opening itself to advances from prospective partners in Meditech. But in areas where it has a more secure niche, like minerals and instrumentation, the group is happy to expand under its own steam.

Redland sees significant rise

A SIGNIFICANT improvement in performance is looked for by **Redland**, the building materials group, in the current year. For the 12 months ended March 26 1983, pre-tax profits rose by 11 per cent to £66.3m, on sales 13 per cent higher at £1.06bn.

In his annual statement with accounts, Mr C. R. Corness, the chairman, states that the world outlook encourages a sense of optimism about the current year's results. "We have reason to raise our sights and to feel confident of a significant improvement in our performance," he adds.

Mr Corness says that in the UK, there is continuing growth in housing, particularly in the private sector, and in repair and maintenance work on a scale sufficient to warrant the view that this trend might be maintained for the next year or two.

In the U.S. housing starts have progressed to an annualised rate of about 1.6m, compared with 1.06m last year, which will provide a substantial increase in demand for materials, even allowing for the trend towards smaller units. Also major new federal funding for highway expenditure and maintenance should create large scale additional opportunities for the McDonough businesses in Texas.

West Germany appears to have turned the corner, says Mr Corness, with a higher volume of housebuilding expected and, in Australia, the new government has also resolved to stimulate housing construction.

There was a payment of £50,000 made to a retiring executive director.

Meeting, Plaisterers Hall, EC, September 22, 12.15 pm.

Immediate Business £1.6m loss

In line with a warning of substantial trading losses in the first year of operations at **Immediate Business Systems**, pre-tax losses grew from £189,000 to £1.6m for the year to the end of March 1983. The prediction was made in the prospectus issued with the company's application to join the USM in February 1982.

Turnover of this maker of computer systems expanded from £26,000 to £709,000.

A provision of £288,660 has been made in the accounts against an investment in IBS Inc.

Trials of an immediate billing system have been successful, say the directors, and delivery of equipment is expected to start this year. Other installations in the U.S. and Hong Kong are expected to be completed next year. These sales have a potential value of £5m.

A range of portable computers has been launched, aimed at the environment user market. Substantial sales are expected in the UK and the U.S.

An agreement has been reached with Fujitsu Components Europe for the marketing of magnetic bubble memory systems under the company's name.

● comment

Immediate Business Systems has been one of the favourites of the USM quoted technology stocks with some fairly fancy predictions and ratings ensuing. The result has been a considerable vacillation in its share price from a high of *314p* to a low of 176p. Yesterday it closed 11p down at 178p on news of losses for the year of £1.59m. The results were no surprise as a loss of this scale was anticipated at the time of its £2.52m rights issue in April. The company seems on course to break even in the next financial year 1984-85 though it might be longer before it starts to pay dividends. The postponement of the order for portable billing machines from a French utility company, potentially worth some £20m was a disappointment but had not been taken into budget calculations. The company says it has many other proposals, at least a dozen in the U.S., and others in the Middle East and Australia for its Immediate Billing System for which there is at present no serious competitor. That is in addition to the announced sales which have a potential value of £5m. IBS's range of portable computers and its link up with Fujitsu heralds a welcome broadening of its base which should improve the quality of earnings when they finally start flowing. It is a typical speculative USM stock with good prospects, though someone looking for a quicker return might prefer other USM technology stocks further down the production road.

Allied Colloid sales up 22%

PROMISING signs of increased sales are being shown at **Allied Colloid Group** according to Mr R. Gill, chairman. Sales for the first quarter are 22 per cent ahead of the comparable period, with new products showing good development, although Mr Gill points out that it is too early to know how much of the increase is due to re-stocking.

Mr Gill will be retiring as chairman in September, and is being succeeded by Sir Trevor Holdsworth, in a non-executive capacity.

As already known pre-tax profits of this industrial chemicals manufacturer rose from £9.46m to £12.1[illegible]m for the year to April 2 1983. Turnover expanded from £56.01m to £62.48m—comparisons were restated.

As new U.S. plant in Virginia is virtually completed, says Mr Gill, and is in the final trial stages prior to production. The plant will introduce products which the group previously had limited prospects of exporting from the UK.

The initial costs of the plant has been \$9m (£5.9m).

Meeting: Bradford on September 20 at 12.30 pm.

BSR stages recovery to £6.2m at midway

BSR International has produced a return to profits of £6.2m against losses of £1.8m, for the six months to the end of June 1983. A "particularly strong" second half is predicted by the directors.

A return to the dividend list has been made with an interim of 0.5p. If budgeted profits for the year are achieved the directors expect to recommend a final of not less than 1.5p.

This is in marked contrast with their statement in the last annual report when they noted that only a nominal dividend would be paid for the year, in order to maintain trustee status.

Earnings per 10p for the six months share of this manufacturer of electronic components are given as 3p, against previous losses of 1.7p. In the last full year the dividends were passed and pre-tax loses amounted to £17.3m (profits £4.4m).

At the end of the last full year the directors said that rationalisation moves would provide the basis for future profits and that a significant improvement in trading results could be expected in the second half of 1983.

They now state that progress achieved to date and a continuing improvement forecast for the rest of the year encouraged them to believe that most of the group's former problems were behind it.

Although some problems remain to be dealt with, good progress is being achieved on all fronts and the group is expected to enjoy a particularly good second half, say the directors.

After tax there were profits of £4.1m against previous losses of £2m. Extraordinary debits fell from £4.5m to £0.2m after which the attributable balance emerged in credit at £4m compared with a deficit last time of £6.5m.

See Lex

SAI moves ahead to £2m at halftime

An uplift in pre-tax profits from £1.7m to £2.1m has been shown by **Scottish Agricultural Industries** for the six months to the end of June 1983. Sales of this maker of agricultural, horticultural and forestry products, which is a subsidiary of ICI, expanded from £48.6m to £52.5m.

The erosion of fertiliser prices has been the main cause of concern in previous years, say the directors. However, the current fertiliser season has begun more encouragingly, with prices more closely reflecting costs, and the higher profits reported for the first half should be maintained for the year they say.

The net interim dividend has been lifted from 5.75p to 6.5p. In the last full year a total of 16.5p was paid. For the six *months earnings per share were* shown as rising from 14.2p to 16.5p.

The directors say that the increase in sales income arose largely from the volume of grain trading on which there is little profit margin.

Scottish Investment

For the nine months to July 31 1983 pre-tax revenue of the Scottish Investment Trust fell from £5.17m to £4.98m.

Net asset value per share after deducting prior charges at par is given as 271.2p (205.6p at October 31 1982). A geographical *distribution of assets at July 31* shows (in per cent): U.S. 43 (40); Far East 30 (15); UK 25 (43); Europe and other 2 (same).

BBA slips but strides towards a better year

REPORTING ON the half year ended June 30 1983, the directors of BBA Group say that the results are generally in line with expectations, with the profit before tax slipping by £260,000 to £2.84m.

A small increase in the overseas companies' contribution has been wiped out by a turnround from a profit of £247,000 to a loss of £162,000 by the home based companies. Earnings have fallen to 1.42p (1.81p) per share but the interim dividend is held at 0.84p.

The current half year, however, shows a "marked improvement" on the results in the latter part of 1982—for the second half of that year a profit of £1.44m was achieved. The directors expect 1983 to show an improvement over the previous year.

Turnover of this Yorkshire-based maker of friction materials, conveyor belting and industrial textiles, moved up by 1.5 per cent to £77.7m. UK companies' share was off 12.8 per cent at £29.67m while overseas increased 12.9 per cent to £48m. Overseas continued to take a larger share of turnover, helped once more by appreciation of the North American and German currencies. The proportions of sales by product divisions were automotive 75 per cent and industrial 25 per cent.

The advance in overseas profit was helped by an additional £377,000 from the associate Bendix Mintex Pty resulting from a change in its year-end, and the weaker pound.

The UK loss was smaller than that recorded in the second half of 1982. Mintex is still meeting fierce competition, especially in the home market, and the mechanical handling activities continue at a loss. Automotive contributed 82 per cent and industrial 18 per cent to the profits.

During the early part of this year arrangements were made to replace the "Section 233" loans when their benefits were withdrawn by the Finance Act 1982. Fixed interest cumulative preference shares, redeemable after one year, amounting to £11m, have been issued at par by a wholly-owned subsidiary. Back-up facilities of £10m in medium-term loans, have been arranged with the bankers participating in the scheme.

The amount of borrowings, at June 30 1983, if the new issue of preference shares is included, has increased to £26.67m, resulting in gearing of 56.6 per cent, as compared with 47.5 per cent at the halfway point in 1982. It is expected that the gearing will return to more acceptable proportions before the end of this year.

● **comment**

Take out the distortion introduced by the change in year end of its Australian associate, and BBA's pre-tax profits slipped by 9 per cent. The market expected as much from a company 75 per cent of whose turnover is related to the automotive industry and the shares dropped only 3p to 38p. *The UK side is still making* substantial losses due to price cutting in the brake and clutch linings trade, and slack demand for conveyor belts from the NCB. Belts should lead the UK back into a small profit by the year end as the company looks for other industrial customers and the NCB steps up its orders. The biggest contribution to profits came from Textar, which managed to hold its own in a declining West German market thanks *to long-term contracts* with Daimler and BMW. The nine point rise in gearing to 56.6 per cent reflects a seasonal increase in stocks and debtors, and debt should sink back to around 45 per cent of shareholders' funds by the year end. Trading conditions generally are flat, indicating a full year outcome of about £5.5m pre-tax, which puts BBA on a prospective fully-taxed p/e of 8.

Lec jumps to £2m after more efficiency

WHILE TURNOVER of Lec Refrigeration showed a modest increase from £20.28m to £21.98m, pre-tax profits for the first half of 1983 jumped to £2.07m, compared with £1.11m.

The board attributes the advance in profitability to improved efficiency generated mainly by the strong capital expenditure programme of recent years. This investment in new plant and models is continuing.

The net interim dividend is being lifted from 2.75p to 4p per 25p share. Stated earnings per share climbed from 13.18p to 25.69p, after tax of £518,000 (£310,000).

In 1982 the company paid dividends totalling 8p on pre-tax profits of £2.44m.

● **comment**

The long hot summer and the continued consumer mini-boom bodes well for Lec in the second half of the year. For the six months to July pre-tax profits soared with the temperature to a record level—up 87 per cent on a slight turnover increase of 8 per cent. Aggressive marketing has helped the company recover from 1982 when the domestic recession was combined with a sudden drop in exports *(mainly to Nigeria)*. LEC's overall UK market share for refrigerators is down slightly to around 22 per cent but in a growing market the competition is less cut-throat and margins appear to have been restored. Prospects look bright with the new T452 "Freezer-Fridge" just appearing in the market and the company's policy of maintaining output volume and employment seems to be bearing fruit. LEC's profits are usually marginally higher in the first half of the year giving expectations of full year pre-tax profits of around £4m. The shares were up 30p yesterday to 280p, giving a prospective fully taxed p/e ratio of 8.8.

Dale Electric earns and pays more

THE RECOVERY at Dale Electric has continued in the year ended May 1 1983, and the prospect for further improvement "looks good."

Reorganisation in the major companies is paying off, reports the chairman Mr Leonard Dale. Already group productivity is up on last year and further improvements are planned. The outstanding order book is acceptable at equivalent to six month's production, and he can see "no let up in our current recovery trend."

Turnover in 1982-83 advanced by nearly £7m to £38.3m, and pre-tax profit was £800,000 higher at £1.9m. A final dividend of 2.8p raises the total from 3p to 4p net.

The group makes petrol, diesel and gas turbine generating sets. Trading conditions are still sluggish, says the chairman, but export sales stand at record levels with a spread of markets that is wider than previous years. More than 60 per cent of sales went to 72 countries overseas, compared with 58 per cent to 63 countries last year.

Dale Electric, Houchin, and Erskine (the mainstream companies) all achieved improved turnover and profit. All other group companies are "firmly in profit" although three that could not previously meet the targets and criteria have now left.

● **comment**

Dale Electric is continuing its successful battle to beat the recession and has moved into the current financial year with a healthy £20m order book, enough to keep it busy for six months. Its three UK companies, Dale electrical, Houchin and Erskine account for about 40 per cent of total turnover and are benefiting from some buoyancy in the UK market. Military spending is up and so is demand for capital projects, the telecommunications and petrochemical sectors, who all use Dale Electric group's equipment. Erskine will show a particularly strong improvement next year as the benefits of its £1m telecommunications contract in Thailand come through. The £52,000 loss from associates was from Dales's 49 per cent owned Mexican company, Ottomotores, but it is moving back into profit and should make a positive contribution in 1983. Dale Electric expects further improvements in net margins following a 2 percentage points improvement in 1982, the result of reorganisation, new computer systems and the establishment of a production engineering department. Dale should comfortably reach £2.5m pre-tax profits in the current year which on a notional tax charge of 30 per cent puts them on a prospective p/e of 6. The share price closed yesterday up 1p at 84p, giving a yield of 7 per cent.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims:—Exeter Building and Construction, Investment Trust of Guernsey, Martin-Black, Miss World, Ropner, Scottish Northern Investment Trust, Wagon Finance, Ward Holdings.

Finals:—Highgate and Job, Raybeck, Alfred Walker.

FUTURE DATES

Interims:—

British Vending Industries	Sept 7
Danish Bacon	Sept 14
Micro Business Systems	Sept 1
Sharna Ware	Sept 9

Finals:—

Douglas (Robert M.)	Sept 14
Intereurope Technology Services	Sept 5
Thorpac	Sept 8

Yorkshire Chemicals sustains recovery

THE RETURN to profit made by Yorkshire Chemicals in the second half of last year, was sustained in the first six months of 1983. For the period to June 30 the company returned pre-tax profits of £664,000 against a £375,000 loss for the comparable period.

For the current half the directors anticipate a broadly similar result to that achieved in the first, which would give a pre-tax profit of around £1.3m. In the year to December 31 1982 the company finished with a taxable surplus of £244,000 following a second half profit of £619,063.

Total group sales for the period were 35 per cent ahead at *£13.6m (£10.04m), with most of* the increase attributable to overseas sales which rose from £7.73m to £10.7m. Sales in the UK were up at £2.9m against £2.31m.

Stocks were reduced in the period following a build-up during the latter half of last year, and the group continues to trade well within its facilities.

Looking to the future of this manufacturer of dyes and tanning materials, Mr T. McDonald, chairman, says that further measures to improve production efficiencies and marketing effectiveness of the group are being intensified. Opportunities for profitable long term growth are considerable, he says.

No interim dividend is being paid but the directors expect to recommend an increased final.

Mr McDonald will be retiring from the board with effect from September 30, and will be succeeded by Dr J. V. Butcher, who will combine his present position of managing director with that of chairman.

● **comment**

Yorkshire Chemicals pulled itself back into the black making £664,000 in the six months to June having plunged into the red to the tune of £1.5m back in 1980 hit by a fall in demand for dyestuffs. Since then it has undergone reorganisation and tried to lessen its dependence on dyestuffs by developing speciality products (chemicals for industries other than textiles and leather). Sales in the speciality products division grew by 58 per cent over the first six months of last year and now accounts for 20 per cent of turnover. The growth has been from a very small base and is not likely to continue at quite the same pace but it has helped Yorkshire Chemicals to broaden its base and achieve a healthier balance in its markets around the world. Germany and Australia have shown a little more buoyancy but generally demand is still at a low level. The board is confident enough to recommend a return to dividend payments at the year end with a raised final dividend (though they failed to reward shareholders with an interim payment). Pre-tax profits for the year of £1.3m seem likely which puts the shares, down 1p to 80p, on a prospective p/e of 6.5. The 4p at 88p, giving a yield of 6.7 per cent.

Needlers losses up at midyear

Increasing pressure on profit margins has helped push pre-tax losses up from £22,000 to £39,000 at Needlers for the 25 weeks to June 25 1983. Sugar confectionery consumption in the UK has continued to decline, say the directors of this chocolate maker.

The strength of the company's brands and efficiency of operation continue to improve, they say, and they expect to improve on last year's profits of £135,000 and to maintain the single dividend of 4p.

Turnover for the 25 weeks grew from £3.96m to £4.32m. Losses per 25p share were shown as rising from 1.6p to 2.4p.

Queens Moat on way to target

FOR the current year the directors of Queens Moat Houses are confident that the earlier profit forecast of "not less than £4m" will be comfortably achieved.

In the interim period January 1 to July 10 1983 profits have grown from £1.09m to £1.61m, after rent £407,000 (£349,000) and interest payable £1.83m (£1.45m). Tax requires £201,000 (£231,000) to leave earnings at 1.5p (1.47p) per share.

The net interim dividend is up from 0.605p to 0.665p, which represents half of the total forecast for the year on capital increased by the rights issue. In the previous year the dividend total was 1.21p on profits of £2.78m.

The group owns 49 hotels with 3,627 bedrooms, as well as five public house restaurants. All recent acquisitions have been absorbed satisfactorily and various extensions and refurbishments are continuing. Plans are being considered for further extensions and the directors continue to look for opportunities to expand into hotels complementary to the group.

"The balance sheet shows a very satisfactory position and leaves the company with con*siderable financial flexibility,"* they state.

● **comment**

The underlying increase in Queens Moat pretax profits is probably around £100,000 (out of a total pretax gain of £500,000) after stripping out first-time benefits from the most recent hotel acquisitions. QM's incentive scheme by which hotel managers retain excess profits *above an agreed target (conversely shortfalls are met out of managers' own pockets)* makes profit forecasting relatively easy. This year QM is expected to make pretax profits of around £4.25m which on an unchanged share price of 35½p put the group on a prospective p/e, fully taxed, of around 21½. This is a slightly lower rating than some less tightly managed hotel concerns, but reflects the impact of the incentive scheme which can limit short term earnings growth when the market turns out better than expected. Hotel occupancy rates according to recent figures from the English Tourist Board picked up by around 4 percentage points in the first half of this year. The improved commercial climate has aided QM which relies on the businessman for around 85 per cent of its custom. Better weather in July and August will have boosted the tourist trade while the spring rights issue *(which reduced QM's gearing from over 90 per cent to less than 50 per cent)* could be worth around £½m in reduced interest payments in the second half—provided the group does not go on another spending spree.

Good opening six months for Refuge Assurance

STRONG GROWTH in new life business in both the ordinary branch and in unit-linked business in the first half of this year is reported by Refuge Assurance. But new business in the industrial branch was static over the period.

New annual premiums in the ordinary branch improved by nearly one third, from £2.14m to £2.8m. Around half this increase came from sales of policies connected with house mortgage repayment following the changeover to MIRAS, even though Refuge is not on the panels of any special scheme arranged by building societies. Single premiums in the ordinary branch advanced by three-quarters, from £148,000 to £259,000.

Single premiums on unit-linked business more than doubled from £592,000 to £1.7m over the period, even though the company has not put any special marketing emphasis on these products. The launch of the new regular premium linked contracts towards the end of last year resulted in sales of £81,000 of annual premiums.

However, new annual premiums in the industrial branch moved ahead only from £6.64m to £6.68m, the company being in the process of reorganising its sales force in this branch. General branch premiums were static at £4.97m.

The interim dividend is lifted from 5p to 7p net but the company states that this is to reduce disparity between interim and final payments. The share price rose 8p to 412p, yielding 5.8 per cent gross on last year's dividend levels.

Moran Tea

For the 1982 year losses of Moran Tea Holdings rose from £423,511 to £524,323 before tax of £1,499, against £3,019. The dividend is held at 1p net per £1 share—no interim was paid.

A surplus on the revaluation *of the Indian tea estates of* £810,186 and a currency gain of £74,661 have been taken direct to reserves. As a result, the reserves show a net increase of £328,604 for the year.

The directors say that currently, prospects for tea and property have improved. The tea subsidiary is set to produce a record crop and the development scheme at Wapping, London, with Barratt Developments, has commenced and the benefits *will be seen* in the second half of 1983.

Unitech

Approximately 96.3 per cent of the Unitech shares offered by way of rights have been taken up. The balance has been sold at a net premium of approximately 40.3p per share for hte benefit of original allottees.

Rohan Group profit down to I£1.03m

Severe pressure on profit margins resulted in a decrease in pre-tax profits from I£1.86m to I£1.03m by Rohan Group for the six months to the end of June 1983. The net interim dividend has been held at 5.85p—in the last full year a final of 6.9p was paid.

Turnover grew from £10.5m to £15.1m. The directors point out that *while turnover increased*, the pressure on profit margins is continuing and is caused by uneconomic prices prevailing in the depressed property and construction sector in Ireland.

Earnings per 10p share of this industrial estate developer, property investor and building contractor were shown as falling from 18.88p to 10.67p.

The directors say that the geographical spread of group developments underpinned by a strong net asset base—net asset value rose from 224p to 257p per share—means the group can take advantage of opportunities as they arise.

The performance of the trading and investment divisions was described as "satisfactory" in the continuing recessionary climate.

The annual rent roll increased 40 per cent during the period and the group continues to *emphasise the property investment dimension* of the company which affects trading profits.

Herrburger Brooks

A swing round from a £33,263 loss to a pre-tax profit of £81,020 is reported by Herrburger Brooks for the 12 months ended May 31 1983. At half-way, taxable profits were £45,627 compared with £80,320.

After tax of £7,542 this time, earnings per 25p share were 5.63p (2.55p loss). The dividend, however, is again omitted.

The directors say the year-end profit resulted from action taken last year to streamline and rationalise the company's operations, together with improved profitability.

Turnover was little changed at £4.4m (£4.43m). Demand for piano actions, keys and hammers remained static during the year.

Bensons Crisps

Turnover of Bensons Crisps rose from £1.83m to £2.08m in the 26 weeks to May 28 1983, but trading profits dropped by £46,000 to £101,000. An exceptional debit of £53,000 this time comprised non-recurring costs of setting up the South Wales factory—there was again no tax.

Sales of crisps and snacks increased by 14 per cent in the period. A 10 per cent price increase was implemented, as budgeted, last month and this will have a favourable impact on second-half results.

A successful start to the second half has been made which, subject to the ongoing uncertainty of potato prices, should provide another satisfactory year's trading result, the directors state.

The company—whose shares are traded on the Unlisted Securities Market—will pay its first dividend in April 1984.

● **Ray Maughan** examines Capper Neill's decline

Arabs to the rescue

THE STORY of how Capper Neill, one of the best known process plant contractors and pipework manufacturers in the UK, came to require massive capital support is partly one of recession but mostly a sorry history of inadequate financial controls.

How Capper came to be rescued with a £6m cash injection by an Athens-based, Arab-owned construction group is partly a story of sheer coincidence but, in most part, the determination of the two banks concerned to take positive action as the position began to deteriorate while separating their roles as lenders and, now, shareholders.

Capper blames difficult conditions in its international process plant markets and low UK demand in the pipe services division for a trading loss of £5.2m, against a profit of £4.5m in the year to March 31. Higher interest payments pushed the pre-tax deficit up to £8.1m.

But the real misery begins below the line. The group has had to write down stocks and work-in-progress by £16.4m which, coupled with a £4.36m reorganisation cost, has meant attributable losses of no less than £27.39m.

The reason for the massive stock and work-in-progress write down, the group explained yesterday, is the decision to "take a more prudent and conservative view of the figures with regard to outstanding contractual claims on existing and completed contracts."

It had become clear to the increasingly edgy banks, Midland and National Westminster, that Capper was making losses on large contracts through a lack of financial controls. A symptom of its declining efficiency, it seems that Capper was counting disputed contracts claims as profits. And, over the years, Capper's receipt of advance payments from clients in relation to work-in-progress was significantly lower than best industry practice. While the norm might be 90 per cent of work-in-progress, Capper's pre-payments often represented only 70 per cent of the value of its work in hand. In other words, the group had been funding its customers.

The large accountancy firm of Coopers & Lybrand, which specialises in close corporate surveillance of troubled companies, was asked by the banks to monitor Capper carefully last November—a role which it continues.

Six months ago, National Westminster's merchant banking arm, County Bank, resigned as adviser to Capper and Morgan Grenfell was appointed as the banks decided to take a hand.

On the day before this change, by what was described as "an amazing coincidence," Morgan Grenfell had been talking to the Arab owned construction group, Consolidated Contractors Group, with a view to a takeover of Capper.

Talks began in earnest some two months ago. The banks had by that point assured themselves that CCG was a prospective partner of "the very highest standing." The difficulty of maintaining contact with participants, operating from Athens and supervising contracts throughout the Middle East, accounts for much of the time taken to reach the final agreement, signed at 11 pm on Tuesday.

But the banks, too, have had to take extreme care that their arm's length lending relationship with Capper has not been changed by their role as preference shareholders.

The result of these negotiations is that CCG will, with the approval of Capper's shareholders, subscribe for 41.3m new shares at 10p per share par value to take a 58.9 per cent stake in the enlarged equity of the group. It will also inject a further £1.87m through a 10 year secured loan to Capper.

For their part, the two banks will be replacing £14m of the existing overdraft facility with a £14m 10 year term loan. The balance of the facility will be replaced by short term facilities and existing bonding facilities will be maintained. They will also convert £7m of the existing overdraft into 7m £1 redeemable preference shares. These will have no dividend entitlement for two years but will carry a net coupon of 8 per cent in years three and four and 10 per cent on a cumulative basis thereafter.

The shares are redeemable on March 31 in 1992 or 1993.

Both CCG and the banks will have a 10-year option to subscribe for 8.77m Capper shares at par. On that basis, the banks would control 10 per cent of the equity and CCG would hold 57.1 per cent.

Mr William Capper is to retire as chairman and managing director as will Mr Robert Roberts, Mr John Laithwaite and Mr Anthony Capper. CCG will appoint its own representative as chairman and two other board members. Mr R. T. M. van Gestel, brought in last year by Mr William Capper, will continue as chief executive.

Boardroom contracts are understood to have been changed recently and it is not expected that the severance terms for departing executives will comprise any "golden handshakes."

CCG expects to place a considerable volume of work through Capper and will gain, in return, Capper's middle management expertise in mechanical engineering.

Hollis Bros. acquisition

Hollis Bros & ESA, the loss-making timber merchanting and furniture group rescued by Mr Robert Maxwell's Pergamon Press in October last year, has bought from the receiver the main business, assets and goodwill of Millthorp International.

Hollis did not reveal how much it will pay for the company, which has trading subsidiaries in Italy and Holland, and was once the world's leading supplier of printing, paper-converting and flexible packaging machinery.

Royal expands in the U.S. with £15.3m acquisition

BY ERIC SHORT

Royal Reinsurance, the reinsurance specialist in the Royal Insurance Group, is making its entry into the U.S. reinsurance market with the purchase, for U.S.$23m (£15.23m) cash, of **American Overseas Holdings** from Guy Carpenter and Company, a subsidiary of **Marsh and McLennan's**. The sale represents a move in Marsh and McLennan's decision to divest its underwriting operations.

American Overseas Holdings operate through several wholly-owned subsidiaries, the two major ones being American Overseas Management Corporation, an underwriting management company and American Overseas Reinsurance, an approved and licensed reinsurer in all U.S. states except Ohio.

The reinsurance premiums generated by American Overseas Management in 1982 were around $32.7m, of which $12.3m was placed with American Overseas Reinsurance. But Royal regards this as a strategic purchase, with its wide operational base and strong management being suitable for expansion into the U.S. reinsurance market. The direct insurance operating company in the U.S.—Royal U.S.—has only a small reinsurance account. Mr Reg Isaac, general manager of Royal Reinsurance, said that the acquisition would be a significant step in its expansion programme into worldwide reinsurance markets.

The acquisition is quite separate from the moves by Royal U.S. to acquire U.S. insurance companies as part of its expansion programme.

Chemical Bank cautious on KCA

BY DAVID DODWELL

CHEMICAL BANK, outlining its agreed £22.2m offer on behalf of Rosshold for KCA Drilling, the contracting subsidiary of oil finance house KCA International, yesterday sketched a cautious future for the group due to the depressed state of the drilling industry worldwide.

Rosshold was set up in June this year as a vehicle for a management buyout of KCA Drilling to be headed by Mr Michael McDowall, Drilling's managing director. With financial backing from Chemical Bank, Rosshold is offering 37p for every ordinary share in Drilling.

KCA International, which owns 75 per cent of Drilling's shares, will be accepting the offer, raising a total of £15.4m. In addition, Chemical Bank is offering KCA International a loan note worth £6.8m, which will be convertable into Drilling shares between 1986 and 1991, giving International the power to retain a stake of up to 23 per cent in the drilling contractor.

The Chemical Bank document said: "*The current state of the drilling industry is likely to limit Drilling's prospects in the short term. Although the 'Polly Bristol' drilling ship remains a valuable asset, until a new contract for it is obtained at a satisfactory rate, the uncertainty surrounding the profitability of Drilling will continue.*"

Drilling's pre-tax profits for the six months to June 30 this year slipped to £3.28m from £3.64m in the first half of 1982.

This uncertainty means that shareholders cannot expect dividends to be sustained at present levels in the near future. Chemical warned that the company would "*in future pay dividends at reasonable levels commensurate with the profitability of Drilling, the availability of distributable reserves, and the ability of Drilling to raise capital for investment.*"

KCA International's shares slipped 1p on the news, to close at 47p. KCA Drilling remained unchanged at 40p.

BP plans to restructure Canadian mining interests

THE GRADUAL integration of the worldwide operations of **Selection Trust** into the relevant divisions of the **British Petroleum** empire continues with news of a plan to tidy up the Canadian interests.

BP, which took over Selection Trust in 1980, plans to sell its wholly-owned Selco subsidiary in Canada to **BP Resources Canada** for C$50m (£27.8m).

Selco, which group the former Canadian operations of Selection Trust, is to be given a fresh start as BP is to assume all the subsidiary's outstanding indebtedness.

Selco employs about 600 people and explores for base and precious metals all across Canada. Producing operations include a copper-gold-silver mine at Selbaie, Quebec, a lime and limestone products plant in British Columbia and a share of a joint venture to recover coal from old coal dumps on Cape Breton Island.

BP Resources Canada is owned as to 64 per cent by BP, with the remainder of the shares traded on Canadian stock exchanges.

Any new projects planned by Selco will obviously find more favour with the Canadian regulatory authorities if they are undertaken under the auspices of a company with a strong local shareholding.

A & A TO SELL HOWDEN OFFSHOOT

Southeastern Aviation Underwriters, which forms part of the insurance activities of **Alexander Howden Group**, the insurance broker, is to be sold to American International Group, a U.S. insurer, by Howden's U.S. owners Alexander & Alexander Services, the world's second largest insurance broker.

In a joint announcement American International and Alexander & Alexander said that they have exchanged letters of intent. The letters are to the effect that Southeastern and its four subsidiaries will be bought by American International subject to the approval by the boards of both parties, "and negotiation of a definitive agreement."

SEDGWICK GROUP

Sedgwick Group's Australian subsidiary Sedgwick Ltd, has acquired the business previously carried on by Independent Insurance Brokers in Queensland.

FENNER IN SOUTH AFRICAN MERGER

The board of **J. H. Fenner (Holdings)** has agreed in principle with **Reunert**, a Barlow Rand subsidiary to the merging into one company of their businesses in South Africa which manufacture and distribute the Fenner range of power transmission products.

Reunert will subscribe R1.5m for new shares in Fenner (South Africa) and Fenner will sell a proportion of its shares in FSA to Reunert for R7m. Following these transactions, Fenner's interest in FSA will be reduced to 50 per cent but FSA will remain a subsidiary of Fenner.

FSA will then purchase for an estimated R6m, those operating assets of Reunert which relate to the distribution of Fenner products

IOM STEAM

Commenting on the recent rise in the company's share price Mr Ronald Kissack, general manager of the **Isle of Man Steam Packet Company**, said in Douglas, that "we are not aware of any takeover bid." The shares were unchanged at 145p yesterday.

Recently Sir James Fisher and Sons, Barrow in Furness shipowners announced that they had acquired 9.13 per cent of the steam packet shares, making them the second largest single shareholder.

APPOINTMENTS

AGB Research makes changes

AGB RESEARCH has made the following appointments in subsidiary companies: **Mr Donald Wildey** becomes joint managing director of Tempo Computer Services. He also becomes a director of Vista Computer Systems and Mitech Data Systems. Mr Wildey was previously group financial controller. **Miss Ann Burdus** is appointed a director of AGB Communications, the group's contract publishing company. **Mr Richard Todd** becomes managing director of AGB Italia in Milan. He was previously managing director of McNair Surveys NZ in Auckland, New Zealand. **Mr John Dourleyn** is appointed a director of Medical Market Studies. He was previously an associate director of the company.

★

WS ATKINS GROUP CONSULTANTS has appointed **Mr Harvey A. Gordon** as technical director, head of industrial and economic planning within Atkins Planning, its planning and management consultancy. He was managing director of Reed Taylor Management Consultants.

★

Mr Martin Colyer has been appointed assistant vice-president of THE FIRST NATIONAL BANK OF BOSTON in London and has been named European manager for lease administration of the leasing division. He was with the United Technologies Corpn in Brussels, supervising the operational audit activities of its European subsidiaries.

★

Mr Bob Pearson has been appointed marketing director of CHARGE CARD SERVICES which operates the MAA Fuel Card petrol charge card. He was director of petrol services at the Motor Agents Association.

★

Mr Tony Allen has been appointed director of zone operations of OTIS ELEVATOR.

★

Mr K. Wager has been appointed to the board of ELECO HOLDINGS.

★

The CARTWRIGHT GROUP of construction and civil engineering companies has restructured its member companies' boards. Eight of the ten companies are affected.

Mr P. Bewell has been appointed chairman of Cartwright Construction, Cartwright Cook and Cartwright Leisure. **Mr G. Ramskill** has been promoted to managing director of Cartwright Construction. **Mr J. W. Fisher** has been appointed chairman of Cartwright Hayward and Wooster, Cartwright Carmichael and Cartwright Carmichael (Wallington) and is now managing director of Cartwright Homes. **M. H. B. Kerr** has been appointed deputy chairman of Cartwright Carmichael. **Mr J. L. Mitchell**, managing director of the Cartwright Group, will assume the additional responsibility as chairman of both Cartwright GC and Cartwright Developments. **Mr K. G. Kearney** has been appointed company secretary and **Mr L. F. Crosswell** as financial controller to Cartwright Carmichael.

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Mr Eric Hartwell, who recently retired as joint chief executive of Trusthouse Forte, has been appointed vice-chairman of the THAMES HERITAGE TRUST.

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Mr Joe Pincott has been appointed construction director of McINERNEY HOMES, Rickmansworth.

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Mr David L. Oldale has been appointed managing director of GARDNER-DENVER HOLDINGS (UK) and its associate companies, Gardner-Denver (Rock Drill Components), Padley and Venables and Bedford Steels. He succeeds **Mr W. Roy Pickering**, who has resigned. Mr Oldale was previously secretary of Gardner-Denver Holdings (UK) and financial director of its associate companies. **Mr Pierre Glass** becomes sales director of Padley and Venables, and Gardner-Denver (Rock Drill Components). He was previously managing director of Gardner-Denver France. **Mr R. Jack Clemmow** has also been appointed to the new position of marketing/technical director of Padley and Venables and Gardner-Denver (Rock Drill Components). Both companies are members of the Gardner-Denver Mining and Construction Group, owned by the U.S. based Cooper Industries Inc.

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Mr James L. Dolan, assistant chief surveyor, operations division, AMERICAN BUREAU OF SHIPPING has been appointed principal surveyor for Western Europe and Western Africa, based in London. He replaces **Mr Robert P. H. Phillips** who was appointed chief surveyor, operations division, in New York.

BANK RETURN

BANKING DEPARTMENT

	Wednesday August 24 1983	Increase (+) or Decrease (–) for week
Liabilities	£	£
Capital	14,553,000	–
Public Deposits	35,162,405	– 7,083,246
Bankers Deposits	588,601,938	– 26,848,321
Reserve and other Accounts	1,637,833,226	– 279,556,567
	2,276,150,569	– 313,228,134
Assets		
Government Securities	381,325,858	– 84,439,999
Advances & other Accounts	881,370,763	– 255,136,433
Premises Equipment & other Secs.	1,002,627,733	+ 19,312,747
Notes	10,623,349	+ 7,053,502
Coin	152,876	– 17,951
	2,276,150,569	– 313,228,134

ISSUE DEPARTMENT

Liabilities	£	£
Notes Issued	11,560,000,000	– 120,000,000
In Circulation	11,549,376,651	+ 112,946,498
In Banking Department	10,623,349	+ 7,053,502
Assets		
Government Debt	11,015,100	–
Other Government Securities	5,419,266,827	+ 36,297,683
Other Securities	6,129,718,073	+ 83,702,317
	11,560,000,000	+ 120,000,000

Return to profit at Renison

BY GEORGE MILLING-STANLEY

THE AUSTRALIANISATION of **Renison Goldfields Consolidated** seems finally to have paid off, judging by the results for the year to June 30.

Operating profits showed a dramatic turnround from last year's loss of A$6.04m to a profit of A$8.56m (£5m), largely reflecting improved cost control and operating efficiencies.

The swing from loss to profit was even larger at the attributable level, with profits of A$10m against a loss of A$10.2m. This figure was boosted by an extraordinary credit of A$3.85m arising from the sale of investments.

Presumably the sale of a 9.7 per cent stake in Australia's **Pancontinental Mining** earlier this year accounts for a major part of this.

Renison has announced a final dividend of 10 cents (5.9p), the only payment for the current year. This compares with last year's sole payment of an interim of 5 cents, and the group said it has no plans to resume the payment of a dividend at the interim stage.

The payment of a substantially greater dividend than last year will no doubt come as a relief to London's **Consolidated Gold Fields**, which holds 49 per cent of Renison.

The improved operating efficiencies in Renison's various divisions include reduced expenditure on administration, with cuts in the workforce and the disposal of office accommodation.

Higher copper and precious metal prices also helped, especially at **Mount Lyell**, also in Tasmania. As a marginal operation, this copper producer derived great benefit from a comparatively slight improvement in the copper price.

The London share market welcomed the results yesterday, and Renison's price improved 6p to 290p.

Utah feels the pinch in coal export market

A DECLINE of 5.3 per cent in net earnings to A$68.6m (£40m) for the six months to June 30 compared with A$72.4m in the same period of the previous year has been suffered by **Utah Development**, Australia's largest exporter of coal.

Lachlan Drummond reports from Sydney that while Utah's sales rose by 7 per cent to A$462m compared with those of the strike-affected period of a year ago, coal prices and demand declined. Unit costs increased as production was cut back in order to reduce coal stockpiles.

The company said yesterday that there were signs of an improvement in world steel production and this should help markets for coking coal in 1983 and 1984. However, it added that any increased requirement for coking coal will be more than met by new mines due to come on stream in Canada and Australia.

Metals Ex. and North Kalgurli

AUSTRALIA'S **Metals Exploration** has increased pre-tax profits to A$373,000 (£217,200) in the year to June 30 from A$227,000 in the previous 12 months. The sale of the joint venture nickel mining tenements in the Widgiemooltha Dome provided an extraordinary profit of A$1.92m.

On the other hand the unconsolidated subsidiary Metals Exploration Queensland, which holds 50 per cent of the struggling Greenvale nickel mine, increased its loss to A$38.6m from A$14m because of the weak market for nickel which resulted in production being halved.

Metals Exploration also has a 35 per cent stake in the gold-producing North Kalgurli. The latter has reduced its operating loss for the year to June 21 to A$1.06m compared with a loss of A$4.7m in the previous year.

North Kalgurli achieved profitable operations in the second half of the year thanks to surface exploration which led to the establishment of open-pit gold operations. Gold production rose to 39,574 ounces from 12,439 oz.

BASE LENDING RATES

A.B.N. Bank	9½%	■ Hambros Bank	9½%
Al Baraka International	9½%	Heritable & Gen. Trust	9½%
Allied Irish Bank	9½%	■ Hill Samuel §	9½%
Amro Bank	9½%	C. Hoare & Co. †	9½%
Henry Ansbacher	9½%	Hongkong & Shanghai	9½%
Arbuthnot Latham	9½%	Kingsnorth Trust Ltd.	11 %
Armco Trust Ltd.	9½%	Knowsley & Co. Ltd.	10 %
Associates Cap. Corp.	9½%	Lloyds Bank	9½%
Banco de Bilbao	9½%	Mallinhall Limited	9½%
Bank Hapoalim BM	9½%	Edward Manson & Co.	10½%
BCCI	9½%	Midland Bank	9½%
Bank of Ireland	9½%	■ Morgan Grenfell	9½%
Bank Leumi (UK) plc	9½%	National Bk. of Kuwait	9½%
Bank of Cyprus	9½%	National Girobank	9½%
Bank of Scotland Ω	9½%	National Westminster	9½%
Banque Belge Ltd.	9½%	Norwich Gen. Tst.	9½%
Banque du Rhone	10½%	P. S. Refson & Co.	9½%
Barclays Bank	9½%	Roxburghe Guarantee	10 %
Beneficial Trust Ltd.	10½%	Royal Trust Co. Canada	9½%
Bremar Holdings Ltd.	9½%	Standard Chartered ‖	9½%
Brit. Bank of Mid. East	9½%	Trade Dev. Bank	9½%
■ Brown Shipley	10 %	TCB	9½%
CL Bank Nederland	9½%	Trustee Savings Bank	9½%
Canada Perm't Trust	10½%	United Bank of Kuwait	9½%
Castle Court Trust Ltd.	10 %	United Mizrahi Bank	9½%
Cayzer Ltd.	9½%	Volkskas Intnl. Ltd.	9½%
Cedar Holdings	10 %	Westpac Banking Corp.	9½%
■ Charterhouse Japhet	9½%	Whiteaway Laidlaw	10 %
Choulartons	10½%	Williams & Glyn's	9½%
Citibank Savings ¶	10½%	Wintrust Secs. Ltd.	9½%
Clydesdale Bank	9½%	Yorkshire Bank	9½%
C. E. Coates	10 %		
Comm. Bk. of N. East	9½%		
Consolidated Credits	9½%		
Co-operative Bank *	9½%		
The Cyprus Popular Bk.	9½%		
Duncan Lawrie	9½%		
E. T. Trust	10 %		
Exeter Trust Ltd.	10½%		
First Nat. Fin. Corp.	11½%		
First Nat. Secs. Ltd.	11½%		
Robert Fraser	10 %		
Grindlays Bank ‡	9½%		
■ Guinness Mahon	9½%		

■ Members of the Accepting Houses Committee.
* 7-day deposits 6%, 1-month 6.25%. Short-term £8,000/12-months 8.6%.
† 7-day deposits on sums of: under £10,000 6%, £10,000 up to £50,000 7%, £50,000 and over 8%.
‡ Call deposits £1,000 and over 6%.
‖ 21-day deposits over £7,000 7%.
§ Demand deposits 6%.
¶ Mortgage base rate.
Ω Money Market Cheque Account= 9.15%. Effective annual rate= 9.54%.

THE PROPERTY MARKET

BY MICHAEL CASSELL

Navy Fund sails into the City

THE Merchant Navy Officers Pension Fund has spent £32m to pick up its first property investments in the City of London.

The Fund, which has a total investment portfolio valued at around £800m—of which about £150m is in commercial real estate—has purchased the freeholds of two City buildings close to the Stock Exchange.

The bigger purchase involves Pinners Hall, the 70,000 sq ft office building in Great Winchester Street which is leased to a number of clients—including Samuel Montagu and Allied Irish Bank—and which is thought to have cost the Fund in the region of £20m.

The second, adjoining building is at 105-108 Old Broad Street, currently occupied by Société Générale, the French bank, which is due to move next year to 60 Gracechurch Street, now being redeveloped on its behalf and with its funds by Second London Wall, part of the London and Edinburgh group.

Together, the purchases give the Fund a City site of just under two-thirds of an acre and the total net lettable office floorspace amounts to about 91,500 sq ft. Initial yield to the fund is between 5 and 6 per cent.

Mr Geoffrey Musson, the Fund's investment manager, says that, in due course, the redevelopment potential for the entire site will be considered. In the meantime, there are opportunities to "reshape" the Société Générale building, though there is no particular rush as the French bank has taken a short lease to tide it over until it moves into Gracechurch Street.

The Fund is not frightened of the type of multi-tenanted investment provided by Pinners Hall and, indeed, has tended to shy away from the large building occupied by a single tenant, "who can provide big problems at rent review time and can always move out."

According to Musson: "We enjoy the management aspect of property and believe that, if we get it right, we can do a great deal to improve returns from this type of multi-tenanted investment."

The Fund has never before bitten off such a large chunk of real estate in one go and Mr Musson says there was plenty of competition, particularly for the Old Broad Street building. The Fund has properties spread around the UK, where its investment portfolio is worth about £110m. There are investments as far afield as Glasgow, Aberdeen, Edinburgh, York and Ipswich but, until now, the nearest it has come to the City core is Holborn.

In the United States, where the Fund has been nurturing ambitious plans for expansion—the property portfolio is currently worth around £40m.

New bank space for Moorgate

COMMERCIAL Union Properties is to develop a 48,000 sq ft office building behind the existing listed facade of 1, Moorgate in the City of London.

The scheme, which will include a banking hall, is being undertaken on behalf of one of Commercial Union's long-term funds and it is believed development costs will be in the order of £5m.

The office building is opposite the Bank of England and will be ready for occupation towards the end of next year. Given the location, letting agents Hillier Parker May and Rowden are looking for a single banking tenant prepared to pay a record rent.

One or two lettings involving self-contained banking premises in the EC district have recently been agreed at rents in the region of £31-32 a sq ft and David Price, of Hillier Parker's City office, is confident that the Moorgate building — "one of the best international banking addresses"—will command a price tag in excess of that level.

● Slough Estates has let its recently completed 36,000 sq ft building in France—developed in partnership with a local company—to Canon, the Japanese photographic and electronics manufacturer.

Oversupply in Silicon Valley

DESPITE welcome signs of a recovery in the Western Corridor office rental market, flanking the M4 motorway between London and Bristol, investment prospects remain overshadowed by continuing overdevelopment.

Last year was a bad one for office lettings in the region. Yet total office floorspace completed in the Corridor went up from 2.16m to 2.8m sq ft according to the latest report from Knight Frank & Rutley.

They add that space under construction at the beginning of this year, at 4.4m sq ft, was marginally up on the 4.36m of a year earlier, while the level of outstanding planning consents climbed by not less than 2m sq ft to 10.2m sq ft.

"The unabated level of development in the face of static demand points to inadequacies in the self-regulating mechanism of the market," says Fer Dijkstra, KFR's head of research. "In many places there is quite a big supply building up, particularly as you go further west to Swindon and Bristol."

There are areas of severe planning constraint close to London — Newbury, Slough, Richmond, Windsor, Maidenhead and Staines—which would normally offer themselves as future centres of investment potential.

But KFR has some worries on this score and suggests many councils may now be tempted to relax restrictive planning policies in order to attract growth industries which can offset the decline of traditional employers. Rising unemployment—even in the Western corridor—"has changed the perspective on the issue," KFR believes.

The implication is that funding institutions will have to be still more selective. "Until recently," says KFR, "funds have supported the developers preference for larger schemes. The large speculative office block waiting for relocating companies to move in may not, however, be the most suitable supply to meet demand."

"A shift towards the smaller size banks and towards pre-lets for the larger developments may well be positive side-effects of the current funding restrictions," KFR adds.

This will not stop agents along the motorway talking about recent triumphs. Strutt and Parker, bearish about Hammersmith just over a year ago, are talking big deals and good rents—and KFR put Hammersmith at the top of their rental growth league for 1982.

In Bristol, St. John Hartnell of Hartnell Taylor Cook, talks of three lettings adding up to around 100,000 sq ft in the last three months at rents, according to the market, either side of £6 a sq ft. But Bristol has a long way to go to account for KFR's vacant floorspace estimate of 1.05m sq ft at the end of last year.

But Reading has a large chunk of unexpended planning consents—750,000 sq ft on one calculation, 1.25m sq ft on another—and the £12.50 a sq ft Gibson Eley negotiated in 1981 from GRE, on a pre-let for Laing's development of the old Reading town hall, has yet to be exceeded.

WILLIAM COCHRANE

OFFICES IN THE WESTERN CORRIDOR

	Unexpended Planning Consents	Current Development Volume
Hammersmith	1,817,000	570,000
Ealing	1,419,000	1,016,000
Hounslow	425,000	814,000
Hillingdon	694,000	602,000
Kingston	336,000	320,000
Richmond	172,000	292,000
Staines	101,000	130,000
Slough	20,000	189,000
Windsor and Maidenhead	120,000	192,000
Bracknell	247,000	282,000
Wokingham	151,000	47,000
Reading	1,254,000	542,000
Newbury	24,000	375,000
Swindon	2,189,000	496,000
Bristol	1,263,000	1,394,000
	10,232,000	7,201,000

Post Office fund buys in Bond Street

POSTEL Investment Management has paid over £4m for the virtual freehold interest in 144-146 New Bond Street, London W1, occupied by the Partridge Art Gallery.

PosTel was represented by Edward Erdman and its new acquisition comprised about 8,500 sq ft of gallery and showroom accommodation on seven floors. The gallery is let to Partridge and a variety of tenants occupy the offices. The property produces a current income of £201,450 a year.

● The Greater London Council, backed by Lambeth and Southwark councils and the Association of Waterloo Groups, is petitioning the Court of Appeal to quash planning approval granted to Greycoat London for redevelopment of the Coin Street site on the south bank of the Thames.

● Austin Rover is to dispose of about 300,000 sq ft of warehousing space on the Milton Trading Estate, off the A34 at Didcot, Oxfordshire. Hillier Parker May and Rowden are instructed to assign their clients' leasehold interest, although there is a chance of negotiating new terms with the landlord.

● The City of London office floorspace survey carried out by Richard Saunders in July shows that space let or under offer surged to 262,733 sq ft—an increase of just under 70 per cent on the previous month's figure. The agents say the trend underlines the marked increase in letting activity recorded in the City since the general election.

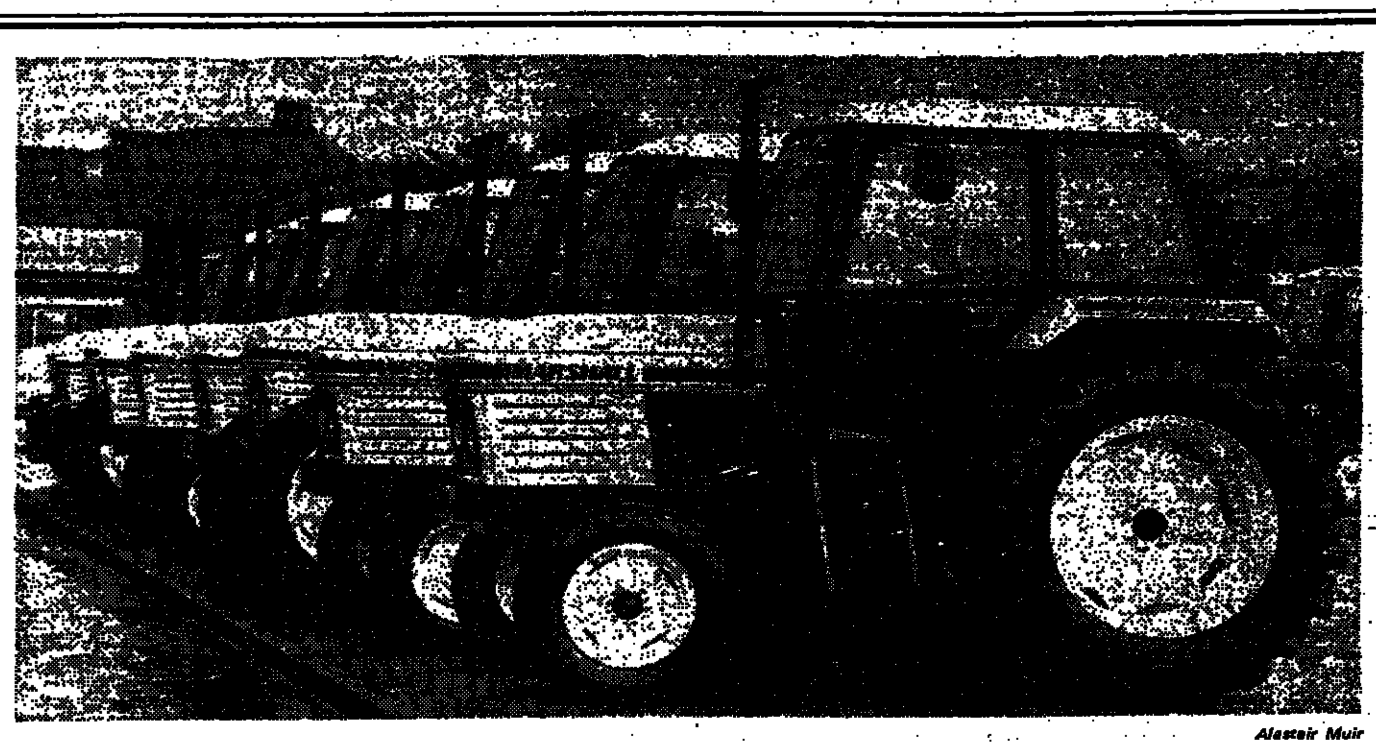
The total office accommodation available, however, showed a further increase of over 7 per cent to 3.9m sq ft. On the City fringes, space available for letting fell to 4.9m sq ft while space let rose by 46 per cent over June to 160,560 sq ft.

● Countryside Properties has started work on a 26,000 sq ft office development, to be known as Pegasus House, in Brentwood. The scheme has been pre-let to Edwards and Payne (Underwriting Agencies), a subsidiary of the Sedgwick Group, on a 25-year lease at an initial rent of £6.50 a sq ft. The development has been sold on to a major pension fund, which provided the necessary funding. Richard Ellis acted for the tenant, Fletcher King represented the fund and Knight Frank and Rutley advised Countryside.

● London and Staffordshire Properties, part of the Clarke Group, has acquired two freehold properties for refurbishment. They are 21 Hertford Street, W.1—a Georgian Grade 11 listed building—and 46 Moorgate, E.C.2, a 4,300 sq ft building previously occupied by the National Bank of Seattle and 250 yards from the Bank of England.

MANAGEMENT

EDITED BY CHRISTOPHER LORENZ



Alastair Muir

Moving through a minefield

After buying BL's tractor interests, Marshall and Sons found that relocating the business was not easy. Nick Garnett reports

DURING the space of a few months in the spring and summer of last year 500 trucks loaded with machine tools and over a million automotive spare parts and other equipment left various points in the UK destined for a factory site in the north Lincolnshire town of Gainsborough.

Nine goods trains also arrived at the same location to disgorge 700 completed and part-finished tractors in the distinctive black, white and gold livery of Leyland Tractors, part of BL.

Leyland Tractors was being moved to a new home following the purchase of the ailing company in March 1982 by Marshall and Sons, a name associated with agricultural machinery for nearly a century and a half. Following the transportation of much of the production facility to Gainsborough, the newly created Marshall Tractors took on the mantle of the UK's only remaining British-controlled mainstream wheeled tractor builder.

This represented a move by Marshall back into wheeled tractor production after a gap of some 30 years—it quit the market in the 1950s to concentrate on construction and other tracked vehicles. It has, though, had more headaches and hiccups than it bargained for in producing a model based on the former Leyland Golden Harvest and output is still very low. Nevertheless, Marshall says it has a backlog of orders and has been working half days at weekends.

What emerges from events at Marshall is a case study with three distinctive features:

- An insight into the traumas and successes of moving productive capacity, re-starting output and training a workforce to deal with an unfamiliar product. This appears to have highlighted a continuation of the historic problem of UK vehicle component quality.
- It is also a classic example of the differences of production methods and approach between a big unionised company geared to big volumes and a small, totally non-unionised one at Marshall. Such differences may become less pronounced if Marshall becomes a volume builder.
- Finally, it is about the drive of one man—Charles Nickerson—the company's chairman, a 38-year-old tenant farmer on 936 acres of Lincolnshire arable land, whose father, Joseph, founded the Nickerson seed empire (which is no longer within the family).

After purchasing Marshall in 1979 from British Leyland's special products division (which in turn had bought it from the the Thomas Ward Group 11 years earlier) Nickerson decided to stake much of his own money on acquiring, during a time of world recession, a business in an industrial sector already afflicted with overcapacity.

Says Nickerson, who trained as an accountant: "I've had a lifelong ambition to build tractors. I intend to build as many as I can, though you must build only what you can sell econmically. Some makers have got wrongly hooked on market share. The tractor hasn't really changed in forty years. It's a simple product so you don't need a complicated company doing it. That never works."

The Gainsborough facility has installed weekly production capacity of about 200 tractors, though it would need to man up beyond the 250 currently employed in the wheeled tractor operation to meet that. Leyland was employing about 900 when it was bought.

Marshall declines to reveal its output and is not party to the industry's comparative output listings, but it is thought now to be approaching its initial target of 50 tractors a week. Leyland had a market share of 5 per cent when it was sold, and Marshall, which assembles tractors from 30 hp to 82 hp turbo charged, claims that it can match that share without undue stress.

Nickerson says the company has passed the "dangerous stage"; it "hasn't got to the point where the long-term future is secured but there's no reason to believe we can't do that."

The company hoped to be producing tractors from July last year, but didn't start until October. Though there were no crises in the transfer and start-up, Nickerson says Marshall underestimated the difficulties in getting the show on the road.

The sheer size of the task of moving and placing materials from drilling machines to split pins surprised the company. Marshall also discovered that the process of merely tagging on to the 700 Leyland tractors the claim that they had been "Made better by Marshall" generated much more work than expected. Some of the build and finish quality was suspect—which led Marshall to make some engineering changes, including a bigger clutch in some models, an altered hydraulic pump and a new cross-shaft housing which is part of the linkage between the tractor and the machinery it pulls. The company, nonetheless, pays tribute to the way Leyland developed a tractor whose basic design, it says, was very good.

The spares operation also purchased by Marshall created more problems. Leyland had already been transferring over a number of years its spares operation from Cowley, Oxon, to Chorley, Lancs, and the removal to Gainsborough initially caused more headaches for dealers and customers.

Dealing with the production of an unfamiliar product, and spares for a full range of vehicles including obsolete Leyland and earlier Nuffield tractors, also involved a longer period for employee training than expected.

One of the company's biggest difficulties—which it says it has now virtually overcome—was substandard components. These were not from Leyland—from which Marshall takes engines and other components—but from other suppliers.

"There were big problems with things like electrical components, castings, machined components outside the allowed-for tolerances," says Nickerson. "It beats me that companies looking for work can produce things in this way. Even simple items like wheel rims arrived in the wrong colour. These companies can't have checked the goods to send them out like that. Because quality is a cornerstone of ours we kept having to stop the line." The company says, though, that many component suppliers have been excellent and have bent over backwards to help the new operation and component quality is now high.

Marshall Tractors has adopted different production methods from Leyland, changed the dealership structure it inherited and altered policy on specification options.

It also believes it has a different philosophy. Marshall's sales director, Keir Wyatt, was one of a small number of people from Leyland who have moved to Marshall. He says that a prime difference between the two is Marshall's concern to involve as many people as possible within the separate operations of the company and to ensure improved communications between separate sections and between customers, dealers and the manufacturer.

"We've got no one to fall back on here in terms of reserve," says Wyatt. "You feel the company has to make a profit or your job will disappear. As an individual at Leyland you felt you couldn't do anything about certain problems."

The manufacturing operation is similar in nature to that used by the works director, Harold Clarke, when he was at Aveling Marshall. Parts of the automated line at Bathgate were broken up and converted into wheeled bogeys which run on tracks at Gainsborough. The tractors under assembly rest on the bogeys.

A team of 10 work on the gearboxes, two on the final drives, six on the hydraulics and eight on the main track assembly. Two men who work on the tractor from its emergence from the paint shop to the finishing area are responsible for fitting the radiators, fuel tanks, air cleaners, battery, all the electrics, the coupling of the hydraulics, wheel and tyre fitting and the attachment of the bought-in cab.

All this has been facilitated by extensive training for fitters and the lack of any union recognition. The company does not even have a works council. One of its production philosophies is to minimise boredom. "Labour relations problems arise from absolute boredom where individuality is destroyed," says one director.

Clarke says though that an automated track line is probably the only way to cope with high volume manufacturing such as the 1,500 tractors a week some of the biggest manufacturing sites might be geared up to.

Marshall inherited a two-tier selling structure made up of 85 distributors and the same number of dealers who had far fewer responsibilities. The company has scrapped the two-tier structure and opted for 126 dealers who have responsibility for all after-sales service.

The company has a weakness in its product range. The market is moving towards more powerful tractors above 80 hp where Marshall does not have a model. It does have a 100 hp tractor under wraps, however, which Nickerson says will be brought on to the market this year. When it bought the Leyland business, some observers thought it wouldn't even begin tractor production at all.

Word processors

How to master many machines

ONCE UPON a time a typewriter was a typewriter; nowadays its pervasive successor, the word processor, is by no means as straightforward.

In the UK there are perhaps 150 different makes currently on the market—and very few have anything in common for the confused operator.

To be trained on one machine does not necessarily mean that an operator can use another—a factor which has concentrated the mind of Manpower, a major "temp" agency.

The office revolution has brought a crucial problem for Manpower — how to match people with jobs in a labour market where there are insufficient skills to keep up with proliferating new technology.

Frequently a client company found itself short of operators for, say, the Rank Xerox word processors it had recently installed. Often, the best Manpower could do was to provide an operator who had been trained on another manufacturer's equipment — and there would have to be an unsatisfactory—and unproductive—period when the individual would have to struggle through the laborious language of a handbook to find out how to use the new equipment.

Now Manpower, which places more than 500,000 staff annually worldwide, thinks it has found the answer—thanks to a computer software package called Skillware. Developed at a cost of more than $2m it is being used to train and cross-train Manpower "temp" operators to use the five most popular word processors which in the UK currently account for around 60 per cent of the market.

The word processors come from Wang, Rank Xerox, IBM, AES and Lexitron. Manpower hopes to extend the package to about 20 manufacturers (covering another 20 per cent of the market) in the next few years.

The training package includes a simplified instruction manual for operators needing a "brush-up" course and a software system for training new operators and cross-training competent operators on new machines.

Manpower claims that its simplified manuals obviate the need to refer to "manufacturers' impenetrable handbooks, some of which are three inches thick. Our manuals are unique. Even the manufacturers have endorsed them," it says.

The software end of the package is disc-based and runs on the actual word processor which the operator is learning to use. Manpower says it provides "patient, friendly, jargon-free 'hands-on' training — at the operator's own pace."

Like the manual, the software package has been "checked minutely by the WP manufacturers, some of whom are now interested in using this approach for their own training," it adds.

The company claims that an operator can achieve basic proficiency in up to 12 hours and then be cross-trained to use another machine in about four hours. So far in the UK it has trained about 1,000 operators by this method.

It has equipped about [illegible] offices in the UK with word processors on which operators can train. Manpower makes no charge to its employees wanting such training. Operators undertake the training in their own time, however.

Lilian Bennett, marketing director of Manpower in the UK, says that if the present growth in WP systems continues, most of the country's 800,000 secretaries will be required to operate, or work alongside, a keyboard-based information processor of some kind by the end of the century.

"Office turnover is high, even among permanent office staff and secretaries will be constantly facing new equipment, so continual training and cross-training will be essential for most WP operators."

At present Manpower, which is 85 per cent owned by The Parker Pen Company of the U.S., plans to use the package for its own in-house purposes only. This could change, however.

"We are receiving a large number of inquiries about selling the package outside," says Bennett. "We are presently reviewing policy to see whether we should move more directly into the training field."

Arnold Kransdorff

TECHNOLOGY

EDITED BY ALAN CANE

£2m CONSORTIUM FORMED TO DEVELOP LIGHTWEIGHT COMPONENTS

Ford, BL in plastic car 'club'

BY JOHN KERR

GOVERNMENT and industry have joined forces in an ambitious three-year project to employ plastics in the highly-stressed vehicle applications so far entrusted only to metals. Coupled with advanced adhesive bonding research, the £2m programme will give Britain an edge in pioneering the volume-built lightweight plastic car.

The consortium—the first time government has participated to such an extent in broad development of automotive plastics—will study heavily-stressed and safety-critical parts like plastic wheels, coil springs, suspension arms, clutch housings and even high-temperature engine applications such as plastic pistons and con-rods.

Underpinning technical work will be a strong focus on practical and cost-effective manufacturing and inspection routes, and on total system costings instead of superficial plastic-versus-metal part comparisons.

The "club" will consist of about 20 members, with motor manufacturers like Ford and BL; materials and components suppliers such as Shell, Pilkington, GKN, Dunlop and Lucas; and with the National Engineering Laboratory and AERE Harwell to carry out the bulk of the physical testing and analyses.

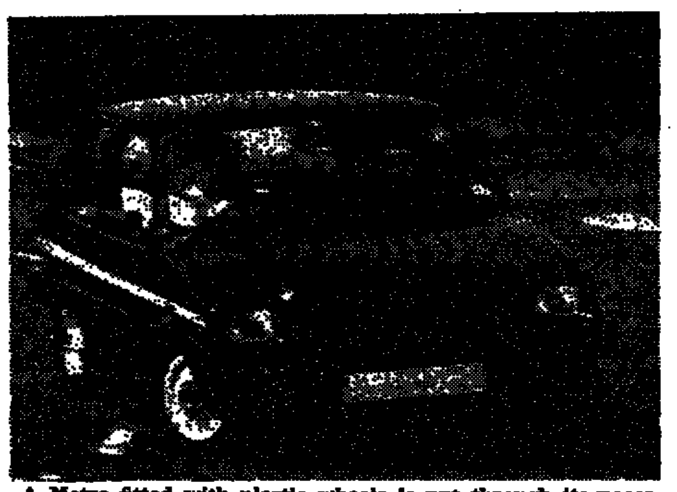
Annual cost is projected at about £700,000, half of this channelled into NEL by the Department of Industry's relevant Requirements Boards, the remainder as a £10,000 cash input to NEL from each industry member (based on 20 members), plus a technical contribution from each valued at about £7,500 yearly.

A steering committee drawn from members and government officers will direct the programme while NEL will handle project management and co-ordination of other technical inputs.

In common with most plastics applications, the main motivator is low vehicle weight; broadly, 10 per cent less weight gives a 5 per cent fuel saving. For commercial vehicles, this translates as higher payload.

Stressed

The declared aim is "to advance the technology and user acceptability of FRP—fibre-reinforced plastic—components in stressed engineering applications." While designers have specified plastics for unstressed areas like grilles and luggage trays and for moderately-loaded work in truck cabs, car bumpers and, increasingly, car body panels, they have baulked at replacing metals with FRP for the most demanding jobs.



A Metro fitted with plastic wheels is put through its paces on the skid pan and comes through with flying colours.

The consortium intends to provide the technical and commercial data to knock down this barrier. David Hughes, project manager of NEL says: "It's a question of confidence-building."

The programme will field three concurrent projects (1) to explore selected components where FRP might show strong advantages — for example, suspension and drive-line components and steering assemblies; (2) to identify and assess FRP composites for high-temperature work—for instance, in pistons, gudgeon pins and con-rods in engines; and (3) to study in detail material performance and viable production and quality test procedures. Production possibilities include adhesive bonding, braiding and filament-winding.

Hughes stresses the practicality: "It's not just us sitting in a lab and saying, 'Right, lads, let's bend this bit of plastic.' It's a strictly monitored programme for industry, to satisfy what they want. After all, they steer the world."

The projects take over from where a similar Government-backed group left off a few months ago. That three-year, £1.4m research programme also centred at NEL, studied the feasibility of reducing vehicle unsprung weight with plastic wheels, suspension arms and coil springs, to keep sprung unsprung weight ratios constant as overall vehicle weights come down.

Technically, the research was successful. Hughes says: "That programme threw up a lot of information but also a lot of question-marks. The new programme will try to look at some of those question-marks."

Impact

The glass/polyester and glass/vinyl ester wheels, made on experimental metal tooling at NEL, weigh only about half as much as a steel wheel and save on numerous manufacturing stages. Units typical of a Metro wheel were put through extensive flexural stiffness and kerb impact tests at NEL as well as road tests on a Metro and came through with flying colours.

However, much work remains to be done to allow for heat from brakes. On a 15-minute alpine brake test, discs can heat up to cherry-red—around 500 deg C—enough to degrade substantially a low heat-conducting plastic wheel hub if the brakes are fitted close.

The suspension arm typical of a Ford Sierra and made in strategically-reinforced sheet moulding compound saves about a quarter of the weight of the metal version and again performs well in bending, torsion and impact tests. "If I had to choose, this is the front runner," says Hughes.

The coil springs for a Rover 3500 also work superbly over the standard million-cycle tests and weigh about a third of the metal equivalent when made in carbon-fibre/epoxy resin form. Both variable and fixed-rate springs have been made, including one version with Kevlar sheathing over a glassfibre core.

But in all cases, costs have been about twice the present metal versions, based on production runs of, for instance, a million wheels annually. Material costs are a higher proportion of total for FRP and some encouragement comes from steadily falling fibre and, to a lesser extent, resin prices as usage in other fields rises. Additionally, the new programme will design for FRP composites from the outset rather than mimicking the patterns of metal components.

Total costs will also be taken into account. Although the plastic suspension arm is twice as costly component for component, it can yield hidden savings. Having natural insulation, the present rubber bushes and fitting procedure could be eliminated, so saving cost.

Again, natural damping properties could reduce the need for proprietary dampers with attendant fitment.

Overseas, the U.S. and Japan are known to be evaluating plastic coil springs. VW has developed an experimental suspension arm in FRP composite and major companies like Michelin and Firestone are active with plastic wheel research. As long ago as 1981, the GM Corvette Stingray sports car came out with a transverse rear leaf spring in glass/epoxy.

British work is acknowledged to be in the vanguard; UK components companies are expected to take up the findings of the consortium when it is wrapped up in mid-1986.

David Hughes' view: "The capital expenditure for setting up plants for plastic components looks quite favourable. With this kind of work Britain could be the first to put something into production before the end of the decade."

Data General joins the pc set

BY GEOFFREY CHARLISH

IN HIGH technology areas some companies take the view that it pays to wait and see the way things are going before making a commitment to new products.

That may well be why Data General is rather late with the introduction of its "Desk-top Generation" personal business machine.

Personal computers—for the lay person at any rate — are beginning to seem a little like detergents: they all look much about the same, with screen, keyboard and perhaps another box containing the processor and they all claim similar advantages.

What counts, of course, is the cost/power ratio of the hardware, the sophistication of the software and increasingly, the extent to which the vendor has correctly divined the future for personal business computing.

DG's divination includes the recognition of two major microprocessor operating systems, MS-DOS (Microsoft) and CP/M-86 (Digital Research). Automatically embraced is much of the application software that has been written for those systems, including Multiplan and the Peachtree Series.

In fact, DG claims that its new machine is unique in being able to run two operating systems concurrently (one of its own and one other) while supporting up to four users.

But beyond that, the company has realised that "islands of personal computers" represent only part of the long-term answer. According to Robert Miller, senior vice-president of business divisions: "There is a compelling need for larger organisations to maximise their investment in desktop systems by enabling them to function efficiently in networks."

DG president Ed De Castro believes the company is making "the largest offering of standard communications in the industry." The options include Ethernet (IEEE 802) and X 25 as well as SNA, SDLC, 3270 and RJE/80.

But at the same time the company is keeping a careful eye on its present minicomputer user base and is offering full compatibility with its 16 and 32 bit "superminicomputers." In addition, promises Miller, "smaller companies buying their first computer will get modular, upgradeable systems that they can build on, while still maintaining their investment in software and hardware."

The Desktop Generation can support medium- and high-resolution monochrome and colour graphics with Graphics Kernel System (GKS) software compatibility and a "mouse" data input device. It can also support the company's CEO (Comprehensive Electronic Office) and data processing software.

Memory expansion can be up to two megabytes of RAM, 738,000 bytes of diskette, 15 megabytes of tape and 30 megabytes of hard disk.

There are several models of the new machine. Model 10 is an entry level system giving the user access both to popular personal computer software and to the more powerful business packages available on DG operating systems. The price is £2,532 in the UK, for which one gets a central processing unit with 128k, a single 368k diskette, a 12-inch monochrome graphics monitor and a keyboard.

The dual processor design allows one terminal to run either CP/M 86 or MS-DOS while others deploy the company's RDOS or AOS for commercial business applications.

Models 20 and 30 are more powerful systems using the DG operating systems for more specialised business solutions.

Any suggestion that the new Data General machine is an attempt to be all things to all men is not far wide of the mark.

Devoured

In a way, the company has been forced into such a concept by its late arrival in a market place rapidly being devoured by IBM, Apple, Digital Research, Microsoft, and a host of others.

Distribution, always a problem when a company used to selling larger machines moves down market, is known to be under active examination. In the UK, Celdis, Lock and Crellon have pledged initial orders. In addition, planning has reached an advanced stage for a central distribution centre in Europe, the location of which will be known by the end of August.

Peripherals

Printing from the TV

MITSUBISHI CORPORATION claims to have developed a domestic television receiver that can "freeze" an image from the screen at any moment and reproduce it on a printer (in black and white) built in to the set.

The company says that the set will be on sale in late October but no price has been given, nor the countries in which it will be available.

Few technical details are given but it is likely that the built-in circuits take the black and white picture content of the user-selected frame and give each minute picture element (pixel) a digital code representing its grey-scale value. The coded values are kept in a solid state store and can then be read out at printer speed to give the picture on paper in about 15 seconds.

The company also plans to sell a separate printer for connection to video cassette recorders, domestic TV cameras and personal computers.

Packages

Insurance system

INTELLIGENCE UK, a leading UK microcomputer software vendor has introduced a package for insurance brokers.

Called MicroBroker, the software runs on IBM, Sirius and Seiko hard disc microcomputers in conjunction with the dBase II data management system.

At the last, MicroBroker costs about £2,000; at most, up to £9,000. According to Richard Harris of Intelligence: "MicroBroker maintains full client, underwriter and broking accounts and produces a range of management reports, together with renewal lists, client statements and underwriter remittances."

The package is capable of dealing with some 99 different types of insurance and has multi-level password security.

According to Intelligence, the package was designed by a team of experienced insurance brokers and is already in use with the brokers who helped develop it. More on 01-543 3711.

Computing

Share cropping

A 22-YEAR-OLD student at Hatfield Polytechnic, Paul Watkinson, has devised a program to run on the Casio P-100 personal hand-held computer which will, he claims, take the guesswork out of buying and selling shares.

The program analyses a portfolio of up to 15 shares and instantly gives the potential capital gain of each and the best to buy or sell in percentage order of preference.

Watkinson emphasises that no computer expertise is needed. He says: "You simply key in the names of the companies selected, the high and low prices, yields and price earnings ratios. You update the information daily or when required and the Computa-Share software will indicate the order of buying or selling of the shares selected." A share can be deleted from the portfolio at any time and another substituted for comparison.

There is also a facility which gives indices for plotting on a chart for "fine tuning," enabling an investor to monitor the trend of a share if desired.

To prove his point, Watkinson will conduct a run on any 15 shares supplied to him in confidence and will send a print-out by return of post. More from P.O. Box 142 at Harpenden, Herts, AL5 4JL or ring 05827 66702.

Magicstore

MAGICSTORE FROM the bureau I. P. Sharp stores, analyses and displays multi-dimensional data, making it easy for planners to create their own databases and produce reports and graphics, the company claims. Magicstore is available from 600 cities where I. P. Sharp offers local access.

World Bank to raise $200m Eurobond, Page 28

FINANCIAL TIMES

Friday August 26 1983

WALL STREET

Fed gives reserves a squeeze

EQUITIES continued to languish on Wall Street yesterday despite another good performance from the credit markets. Confidence in the downward trend of bond yields was further strengthened initially by a fresh fall in the Federal Funds rate, *writes Terry Byland in New York.*

But bonds turned off their best levels after the Fed had drained reserves by means of a reverse repurchase, the first such move for two months.

The stock market remained weak, with the mood growing increasingly discouraged by the inability of share prices to respond to the easier trend of interest rates.

Aerospace issues suffered further losses. Rockwell fell $1¼ to $27⅛ and Lockheed recorded a fresh loss of $3¼ to $102½. Falls in defence shares – which included General Dynamics, $2¼ off at $46¾ – were ascribed to the decision of the chairman of the Senate Armed Services Committee not to seek re-election.

The Dow Jones industrial average closed up 0.81 at 1185.06.

With the latest sales figures from the car industry showing a slower rate of growth, motor issues were easier. General Motors slipped by $⅝ to $66⅝ and Ford at $52¼ lost $⅛. The firm spot was Chrysler, $¼ up at $23¼.

International Harvester, at $8⅝, bucked the downward trend, putting on $⅛ while waiting today's presentation of a new debt swap plan to the creditors. Deere remained dull after the trading results slipping $¼ to $38½.

Other major stocks were mostly lower around midsession as profits were taken. IBM shed one point to $115½, Honeywell $1⅛ to $113 and AT & T $⅜ to $64⅜.

Oil stocks also came in for some selling after their recent rise. Exxon dipped by $⅛ to $37⅛.

The announcement of higher prices by the steel leaders found a mixed reception. U.S. Steel eased $⅛ to $26⅝ but Republic Steel, which announced that it was also raising prices, put on $¼ to $22½.

The slowdown in car sales discouraged the retail share sector, where it was seen as another indication that consumer spending is less buoyant than earlier this year.

J. C. Penney, at $53⅞ lost $⅞, while Sears, additionally upset by the likely effects of lower interest rates on its financial services subsidiaries, fell $1½ to $35¼.

Among the major banks, shares in BankAmerica held unchanged at $21¼ after a major rating agency had lowered its rating on some debt issues.

Credit markets fell towards the close, to show yields on Treasury Bills about three basis points off after being about five down earlier. The three-month bill stood at a discount of 9.06 per cent and the six-month bill at 9.28 per cent.

There was some heavy selling in the bond market after the Fed's reverse repurchase. The key long bond, the 12 per cent of 2013, touched 104 7/32 before slipping back to 103 19/32, compared with 104 overnight.

LONDON

Early rally yields to uncertainty

A PROMISING early rally after the depression of the two previous sessions lost momentum yesterday and London equity markets extended their uncertain phase. The approaching long weekend holiday inhibited investment, but interest was aroused by company trading statements. Speculative activity revived, not only for Irish Sea oils but also for other situation stocks and many secondary industrial issues.

An early misreading of the interim profits caused Blue Circle Industries to shoot up to 467p before almost immediately slumping to 420p and eventually closing 17p down at 428p. Britoil's half-yearly results also failed to inspire and the shares, up to 256p ahead of the announcement, reacted to 238p before settling a net 6p up at 244p.

A large trade built up in the quartet of Irish Sea oil exploration hopefuls, with Atlantic Resources 40p better at 325p and Aran Energy 8p up at 42p.

The FT Industrial Ordinary share index, after posting a rise of three points at noon, closed only 0.8 up on the session at 717.4.

Mining markets put on a much brighter performance, although widespread gains in South African golds, financials and platinums owed more to currency considerations than actual buying interest. *Details, Page 21; Share Information Service 22–23.*

AUSTRALIA

PRICES in Sydney and Melbourne fell widely in heavy trading yesterday in a major correction to the extremely strong gains which marked investors' approval of the Labour Government's first budget on Wednesday. The All Ordinaries index closed down 10.7 at 697.7 and the resources sector, which led the previous day's rally, suffered heavy losses.

BHP lost 45 cents to A$11.35, Western Mining fell 25 cents to A$4.45, North Broken Hill ended down 15 cents at A$3.23 and Bougainville slipped 12 cents to A$2.96.

Among golds, Central Norseman and Emperor both took 10 cent falls to A$8.40 and A$3.65, respectively.

HONG KONG

LIGHT bargain hunting at the end of the session left Hong Kong little changed after a weak opening.

The Hang Seng index edged down 0.27 to 981.91 after recovering from a 4.87 mid-morning loss.

Institutions remained on the sidelines and gave little hope that the market will break from its present slump. More interim results are due from major companies early next week, however, and these could give the market a push in either direction.

Among the Hongs, Hongkong and Shanghai Bank lost 10 cents to HK$7.80, Hongkong Electric was unchanged at HK$5.75 and Hongkong Land rose 3 cents to HK$3.70.

SINGAPORE

THE Straits Times index rose to a new high in Singapore yesterday as brokers speculated that it could break through the 1,000 barrier within the next couple of sessions. The index closed up 2.87 to 992.62.

Prices were mixed on selective buying, however, with the most active stock being Faber Merlin, closing 6 cents higher at S$2.632.

Banks were unchanged to higher, and properties were mixed. United Overseas Land closed 14 cents up at S$3.46 after its higher interim results and one-for-five bonus issue.

SOUTH AFRICA

MOST gold shares turned firmer at the close in Johannesburg after a generally easier day as the bullion price stayed above U.S.$420.

In moderate trading Southvaal put on R2.25 to R75 and, at the cheaper end, Elsburg gained 15 cents to R5.35. Other minings and financials were steady but diamond share De Beers recovered strongly to close 8 cents ahead at R10.98 after sinking to R10.70. Platinum producer Impala climbed 30 cents to R15.95.

CANADA

LACKLUSTRE trading led to a widespread downward drift in Toronto prices, where the composite index was off more than four points to 2,443.4 at midsession.

Golds, oils and metals were the major losers, while property and consumer products issues were generally higher.

Stocks also eased slightly in Montreal.

TOKYO

Weaker tone sparks selling bout

A DROP on Wall Street and the rising margin buying balance dampened investor enthusiasm in Tokyo yesterday, sending share prices lower, *writes Shigeo Nishiwaki of Jiji Press.*

The Nikkei-Dow average of 225 select issues dipped 4.27 to 9,143.08. Trading remained slow at an estimated 330m shares – little more than Wednesday's 322.19m shares. Losses outpaced gains 355 to 266, with 210 shares unchanged.

Incentive-backed issues and speculative leaders were the main issues to change hands for profit-taking due to the market's generally weaker tone. Drugs companies continued to attract buy orders on speculation of anti-cancer agent developments. Kyowa Hakko added Y29 to Y875, Banyu Pharmaceutical Y40 to Y833.

Reflecting the acquisition of an oil concession off China, Arabian Oil jumped Y450 to reach Y7,400 at one stage. But it eventually finished the day Y50 lower at Y6,900 because of a later surge in profit-taking.

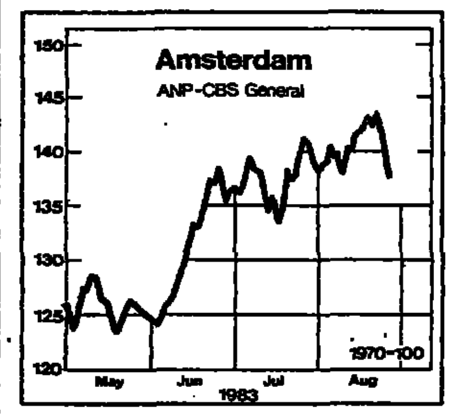
Kayaba Industry gained Y31 to Y290 after announcing it had purchased, with the TI group in Britain, a Spanish shock absorber maker. Investors bought Toyota Motor, which on Wednesday reported all-time highs among Japan's manufacturing companies in sales, recurring profit and after-tax profit. But the fear of increasing trade friction gained momentum among investors later and Toyota closed the day unchanged at Y1,180.

Blue chips were neglected throughout the session. Sony declined Y20 to Y3,280, Matsushita Electric Industrial Y30 to Y1,590, Hitachi Y14 to Y870 and Kyocera Y140 to Y7,460 on small-lot selling.

Rising prices lapsed into a lull on the bond market. A dip in U.S. market interest rates and speculation that the Japanese Finance Ministry might carry out a buying operation through the Debt Consolidation Fund before the setting of terms for the September issue of long-term government bonds had rapidly been animating the bond market. But wariness over future moves slowed down the recovery pace.

Yield on the barometer 7.7 per cent government bonds with a little more than six years remaining to maturity plunged from 7.85 per cent on August 12 to 7.73 per cent on Tuesday. Seeing the sharp price recovery, city and regional banks stepped up their selling early this week. Prices remained unchanged as bonds offered by such banks were purchased by securities houses.

However, increasing inventories made brokers reluctant to buy bonds yesterday, pushing the yield up to 7.75 per cent.



EUROPE

Profit taking spreads

A BOUT of profit-taking took place in most European centres yesterday as the limp trading echoed Wall Street's weaker performance. Selling was not hectic, however, and many bourses closed only marginally lower.

Internationals suffered the heaviest losses in Amsterdam, where KLM, which had dropped to its lowest point of the year, fell Fl 4 to a new low of Fl 145.5.

Philips also dropped Fl 1.60 to Fl 42.80 and Hoogovens declined Fl 2.30 to Fl 32.

In the financials sector, Ned Mid dropped Fl 1 to Fl 32 and Ennia, the insurance group, saw a 20 cent fall to Fl 130.8.

Gist-Brocades, the biotechnology group, managed to put on 70 cents in after-bourse trading, to end at Fl 164.50.

Unenthusiastic trading kept prices broadly lower in Frankfurt.

Continued uncertainty about the direction of West German and U.S. interest rates weighed on the market and the Commerzbank index ended down 3.2 at 933.30.

The banks, stores, machinery and cars sectors were mixed to lower, while other sectors were simply lower.

Deutsche Bank dropped DM 1.30 to DM 313.20, Dresdner Bank was off 90 PFG to DM 170.10 and Bayerische Hypobank was down DM 5.50 to DM 280, while Bayerische Vereinsbank advanced DM 1.50 to DM 318.50 and Commerzbank put on 90 pfg to DM 168.60.

Traders took a rest in Paris yesterday, ending the bull market which had taken indices to record levels over the last two weeks.

Investors were subdued by the weakness on Wall Street, while the French Government's decision to float a FFr 15bn state loan on the domestic capital market may have had a contributory effect.

But, despite these negative factors, selective buying pushed several issues to new highs for the year. Oils, banks and stores rose while cars and metals were steady.

The foods, rubbers, electricals and chemicals sectors saw losses and Schneider, Pernod-Richard, CIT-Alcatel and Imetal finished noticeably lower.

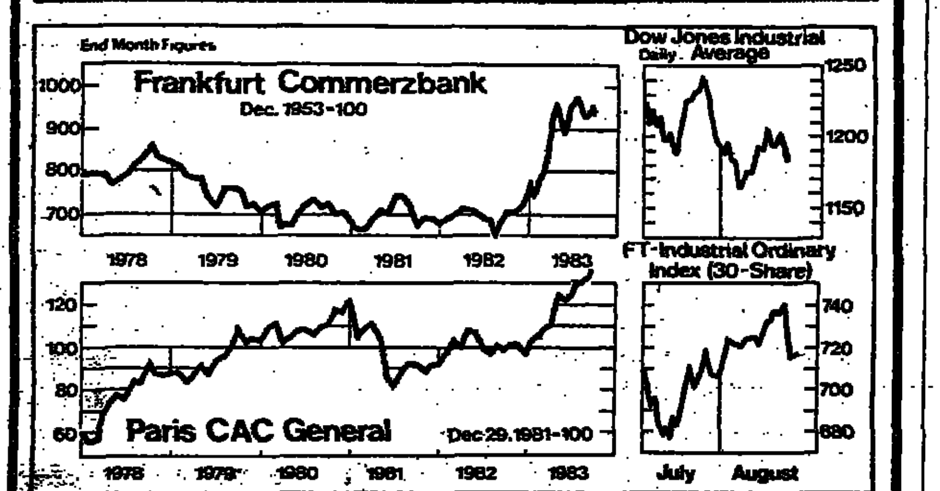
Prices closed mixed to lower in Brussels, Zurich and Milan.

Belgian stocks suffered as political squabbles between the Liberal and Social-Christian coalition partners over plans to grant fiscal amnesty gained momentum. Steel and related stocks resisted well, however, with Clabecq gaining BFr 6 to BFr 924 and Arbed up BFr 4 at BFr 1,348.

Banks tended softer in Zurich and most other sectors were mixed. But Oerlikon-Bührle, the arms producer, gained ground – ending up SwFr 15 to SwFr 1,545m on hopes that it will build under licence parts of the West German tanks the Swiss Government announced on Wednesday it would buy.

A late but strong upswing left prices higher in Stockholm while stocks ended mixed in Madrid.

KEY MARKET MONITORS



STOCK MARKET INDICES

NEW YORK	Aug 25	Previous	Year ago
DJ Industrials	1185.06	1184.25	884.89
DJ Transport	524.42	524.86	347.27
DJ Utilities	130.59	130.59	115.49
S&P Composite	160.34*	161.25	117.58
LONDON			
FT Ind Ord	717.4	716.6	576.1
FT-A All-share	456.14	454.52	344.27
FT-A 500	493.23	491.63	378.08
FT-A Ind	443.75	442.87	348.30
FT Gold mines	672.6	666.2	314.2
FT Govt secs	79.71	79.63	78.09
TOKYO			
Nikkei-Dow	9143.07	9147.34	7126.6
Tokyo SE	677.69	678.95	530.87
AUSTRALIA			
All Ord.	697.7	708.4	472.8
Metals & Mins.	596.7	613.6	379.2
AUSTRIA			
Credit Aktien	55.28	55.08	48.07
BELGIUM			
Belgian SE	133.45	133.85	94.61
CANADA			
Toronto Composite	n/a	2447.4	1562.8
Montreal Industrials	n/a.	434.53	283.53
Combined	407.65*	408.85	268.77
DENMARK			
Copenhagen SE	182.55	182.97	86.94
FRANCE			
CAC Gen	137.7	137.4	96.6
Ind. Tendance	145.8	146.3	111.2
WEST GERMANY			
FAZ-Aktien	315.28	315.79	221.67
Commerzbank	933.3	936.5	672.9
HONG KONG			
Hang Seng	981.91	982.18	1012.0
ITALY			
Banca Comm.	203.81	204.71	171.7
NETHERLANDS			
ANP-CBS Gen	137.5	139.7	86.8
ANP-CBS Ind	113.1	114.3	68.2
NORWAY			
Oslo SE	200.92	201.01	105.58
SINGAPORE			
Straits Times	992.62	989.75	611.62
SOUTH AFRICA			
Golds	951.1	944.3	530.4
Industrials	926.3	928.5	605.1
SPAIN			
Madrid SE	116.24	117.03	109.43
SWEDEN			
J & P	1444.76	1434.8	621.74
SWITZERLAND			
Swiss Bank Corp	334.6	338.8	246.9
WORLD	Aug 24	Prev	Yr ago
Capital Int'l	176.9	178.3	131.1

GOLD (per ounce)

	Aug 25	Prev
London	$423.625	$423.875
Frankfurt	$423.25	$424.25
Zürich	$423.50	$424.50
Paris (fixing)	$422.93	$422.21
New York (Aug)	$417.50	$422.00

* Indicates latest pre-close figure

CURRENCIES

	U.S. DOLLAR		STERLING	
	Aug 25	Previous	Aug 25	Previous
£	1.508	1.519	–	–
DM	2.6355	2.64	3.975	4.01
Yen	243	243.15	366.5	370.25
FFr	7.9410	7.95	11.975	12.0775
SwFr	2.1425	2.15	3.23	3.2675
Guilder	2.9540	2.9535	4.455	4.485
Lira	1574.25	1576.5	2374	2394.5
BFr	52.97	52.95	79.8	80.52
C$	1.23025	1.23025	1.8535	1.8685

INTEREST RATES

Euro-currencies (three month offered rate)	Aug 25	Prev
£	9⅞	9⅞
SwFr	4⅜	4⅜
DM	5 7/16	5 7/16
FFr	15⅛	15⅛
FT London Interbank fixing (offered rate)		
3-month U.S.$	10 1/16	10 5/16
6-month U.S.$	10½	10 9/16
U.S. Fed Funds	9¼	9⅜
U.S. 3-month CDs	9.55	9.65
U.S. 3-month T-bills	9.15	9.13

U.S. Treasury Bonds

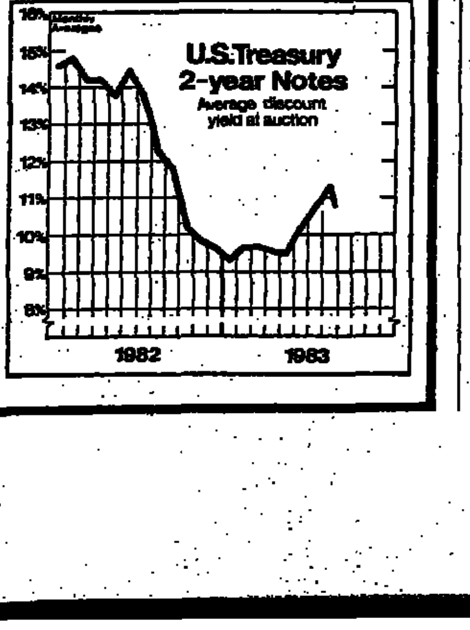
		Aug 25 Price	Aug 25 Yield	Prev Price	Prev Yield
10½	1985	99 19/32	10.84	99 27/32	10.67
10¾	1990	96 14/32	11.49	96 28/32	11.39
11⅞	1993	101 14/32	11.62	102 1/32	11.52
12	2013	103 19/32	11.59	103 31/32	11.52

FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
U.S. Treasury Bonds (CBT) 8% 32nds of 100%				
September	71–31	72–29	71–24	72–14
U.S. Treasury Bills (IMM) $1m points of 100%				
September	90.89	91.04	90.85	90.91
Cert Deposit (IMM) $1m points of 100%				
September	90.22	90.40	90.21	90.32
LONDON				
Three-month Eurodollar $1m points of 100%				
September	90.05	90.07	90.00	90.00
20-year Notional Gilt £50,000 32nds of 100%				
September	102–16	102–22	102–10	102–16

LONDON COMMODITY MARKETS

	Aug 25	Prev
Silver (spot fixing)	827.20p	823.45p
Copper (cash)	£1072.75	£1069.00
Coffee (Sept)	£1726.50	£1719.50
Oil (spot Arabian light)	$28.87	$28.77



NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
17¾	5⅞	AAR	.44	2.9	21	63	15⅛	15	15	-⅛
37⅞	29	ACF	1.40	4.3	39	153	34	32¼	32¼	-1
20	14	AMF	.50	3.1		351	16⅛	15¼	15⅞	-⅜
38⅞	13¼	AMR Cp			40	3557	27½	26¾	27¼	+¼
18⅞	14⅛	AMR	pf2.18	12.		11	18⅛	18⅛	18⅛	
38⅝	24⅞	AMR	pf2.13	7.0		524	30½	30	30½	+½
14⅞	2½	APL				73	13	12¾	12⅞	
55	28	ARA	2.05	4.3	12	306	48⅞	47¾	48⅛	-¼
78⅞	34¼	ASA	3a	4.4		397	70	67¾	68⅛	-1½
33⅞	9¼	AVX	s .32	1.4	48	259	24⅛	23⅝	23⅝	-¼
50¼	30¼	AbtLab	1	2.1	18	1643	48¼	47⅞	47⅞	-⅝
30⅛	24⅞	AccoW	n.50	2.0	19	29	25	d24⅝	24⅝	-⅜
27½	16¼	AcmeC	.40	1.8		68	21⅞	21¾	21¾	
14⅞	6⅝	AcmeE	.32b	2.7	297	x12	11⅞	11¾	11⅞	+⅛
21½	5½	AdmDg	.04	.2	18	17	19⅛	19	19⅛	-⅛
17⅞	13¼	AdsEx	1.73e	10.		51	17⅛	16⅞	17	
19¼	6⅛	AdmMl	.24	1.4	9	3	17⅜	17⅜	17⅜	
28	12⅞	Advest	s .16	.7	9	144	24½	23¾	24	-⅝
34⅞	7⅞	AMD	s		60	1681	28	26⅝	27⅞	+⅜
44⅞	32⅞	AetnLf	2.64	7.3	7	1442	36¼	35⅛	36⅛	+¼
40½	12¼	Ahmns	.60	2.2	15	1016	28⅝	28	28⅝	+¼
7⅞	2⅛	Aileen				85	6¼	6⅛	6¼	
50⅞	26⅞	AirPrd	1	2.2	13	2252	46¼	45⅞	46¼	+⅜
27¼	10¼	AirbFrt	.60	2.9	20	28	20½	20¼	20¼	-⅛
[illegible]										

B-B-B

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
27⅞	19¼	BMC	n .40	2.1	12	116	19¾	d19⅛	19¼	-⅜
38⅞	15⅞	Bairnco	.50	1.5	10	54	34¼	34¼	34¼	-⅛
27	16	BkrIntl	.92	3.9		560	24	23½	23⅞	+⅛
27¼	17⅞	Baldor	.32	1.3	22	43	25¼	25	25	
50⅞	5½	BaldwU	.22j		2	395	7½	7⅛	7⅛	-¼
151	18	BldU	pf 52k			5	22¼	22⅛	22⅛	-⅝
36⅞	18	BallCp	s1.16	3.5	10	249	33¾	31¾	32⅞	-⅞
31⅞	19⅞	BallyMf	.20	1.0	13	1739	21	20⅞	20⅞	-⅛
26⅞	5¼	BallyPk			23	87	15¼	15	15⅛	-¼
31¼	26⅞	BaltGE	2.84	9.3	8	311	30⅞	30¼	30½	+⅛
47½	15¼	BanCal	1.20	2.6	13	603	46⅞	45¼	46	-⅛
7⅞	5½	BanTex	.20	2.8	13	67	7⅛	7	7⅛	+⅛
59	26⅞	Bandag	1	1.8	17	9	56⅞	56¼	56¼	+¼
23⅞	12	BangP	.80	4.0		38	20	20	20	
47⅞	22	BkBos	2.12	5.5	5	623	38⅞	38¼	38⅜	-⅞
65⅛	39¼	BkNY	3.40	6.2	5	693	55	54½	54⅞	
31¾	16⅞	BkofVa	1.32	4.7	6	11	28½	28¼	28⅛	-¼
26¼	16¼	BnkAm	1.52	7.0	7	980	22	21⅞	21¾	
50½	48¼	BkAm	pf3.87e	7.5		2967	52¼	51¼	51½	-1⅛
90	73½	BkAm	pf4.08e	4.8		447	85	84	84¼	-½
19½	15	BkAm	pf2.88	15		176	19⅞	19¼	19⅞	

Continued on Page 19

AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
[illegible]										

Continued on Page 20

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued from Page 18

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
[illegible]										
29¾	14¼	Willam	1.20	4.1	43	1480	29⅝	29	29⅛	−⅛
18	9⅞	WilmEl	.60	5.3	7	240	11½	11	11¼	+⅛
11⅛	6	WilshrO	.08r	1.0	9	47	7⅞	7⅝	7⅞	+⅛
62⅞	36⅞	WinDx	2.58	4.6	12	52	56⅞	55¼	55¼	−½
23⅞	7	Winnbg	.10e	.6	32	548	18⅞	16⅞	17⅛	−1⅛
12¼	3⅞	WinterJ			34	2	10	10	10	
25½	20	WiscEP	2.10	8.8	7	333	24	23⅞	24	+¼
85	68½	WisE	pf8.90	12.		z130	76½	76½	76½	
26	21	WisG	pf2.55	10.		2	24⅞	24⅞	24⅞	
29½	22¼	WiscPL	2.40	9.2	8	114	26⅛	25⅞	26⅛	−⅛
27⅛	21½	WiscPS	2.32	9.0	8	x389	25⅞	25⅝	25¾	−⅛
32¾	15¾	Witco	s1.32	4.4	11	70	30⅝	30	30	−⅝
29¾	13⅞	WolvrW	.48	2.7	9	112	17⅞	17¾	17⅞	+⅛

Continued on Page 20

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a–dividend also extra(s). b–annual rate of dividend plus stock dividend. c–liquidating dividend. cld–called. d–new yearly low. e–dividend declared or paid in preceding 12 months. g–dividend in Canadian funds, subject to 15% non-residence tax. i–dividend declared after split-up or stock dividend. j–dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k–dividend declared or paid this year, an accumulative issue with dividends in arrears. n–new issue in the past 52 weeks. The high-low range begins with the start of trading. nd–next day delivery. P/E-price-earnings ratio. r–dividend declared or paid in preceding 12 months, plus stock dividend. s–stock split. Dividends begins with date of split. sls–sales. t–dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u–new yearly high. v–trading halted. vi–in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd–when distributed. wi–when issued. ww–with warrants. x–ex-dividend or ex-rights. xdis–ex-distribution. xw–without warrants. y–ex-dividend and sales in full. yld–yield. z–sales in full.

WORLD STOCK MARKETS

AMERICAN STOCK EXCHANGE CLOSING PRICES

Continued from Page 19

NEW YORK CLOSING PRICES

Continued from Page 19

AUSTRALIA

Aug. 25	Price Aust. $	+ or −
ANZ Group	4.66	−0.02
Acrow Aust	1.50	......
A.O.D.	0.94	−0.02
Ampol Pet	1.65	+0.02
Assoc Pulp Pap	1.85$	......
Aust Cons Ind	1.61	−0.02
Aust. Guarant	2.35	+0.05
Aust. Nat. Inds	2.8	−0.10
Aust. Paper	2.2	−0.10
Bond Hldgs	1.17	+0.02
Boral	3.28	−0.02
Bl'ville Copper	2.96	−0.12
Brambles Inds	2.65	−0.02
Bridge Oil	3.3	−0.10
BHP	11.35	−0.45
CRA	5.94	−0.20
CSR	4.25	−0.10
Carlton & Utd	2.97	−0.05
Castlemaine Tys	4.1	......
Coles (G.J.)	3.27	+0.02
Comalco	3.28	−0.07
Consolidated Pet	0.25	......
Costain	1.45	......
Dunlop	1.34	......
E.Z. Ind	6.12	−0.04
Elders IXL	4.15	−0.02
Energy Res	1.75	−0.05
Gen Prop Trust	1.76	+0.01
Griffin Coal	6.68	......
Hardie (J.)	4.0	......
Hartogen Energy	3.0	−0.20
Herald W'y Times	2.68	−0.02
ICI Aust.	2.16	......
Jimb'lana (50cFP)	0.25	......
Kia Ora Gold	0.23	−0.02
Lend Lease	4.95	−0.15
MIM	4.45	−0.15
Mayne Nikless	5.00	......
Meekatharra Ms	1.35	−0.05
Myer Emp	1.61	......
Nat. Aus. Bk.	3.20	−0.02
News	8.6	......
Nicholas Kiwi	2.45	......
North Bkn Hill	3.33	−0.15
Oakbridge	1.50	......

JAPAN (continued)

Aug. 25	Price Yen	+ or −
Konishiroku	616	−4
Kubota	313	−1
Kumagia	422	−6
Kyoto Ceramic	7,460	−140
Maeda Const	515	......
Makino Milling	1,220	+10
Makita	1,330	+20
Marubeni	269	......
Marudai	570	+9
Marui	1,130	−10
MEI	1,590	−30
M'ta Elec Works	584	+1
M'bishi Bank	500	......
M'bishi Corp	521	+11
M'bishi Elec	419	−2
M'bishi Estate	449	+1
MHI	207	......
Mitsui Co	373	+1
Mitsui Estate	690	......
Mitsukoshi	341	−1
NGK Insulators	659	+14
Nihon Cement	187	−1
Nippon Denso	1,500	+10
Nippon Elect	1,490	−10
Nippon Express	248	+1
Nippon Gakki	639	−4
Nippon Kokan	136	−2
Nippon Oil	930	+5
Nippon Seiko	591	+11
Nippon Shinpan	669	−3
Nippon Steel	162	−3
Nippon Suisan	311	−6
NTV	6,960	+180
Nippon Yusen	233	−5
Nissan Motor	710	......
Nisshin Flour	386	......
Nisshin Steel	138	−1
Nomura	760	−1
Olympus	1,090	+20
Omron Tateisi	1,720	......
Orient Leasing	2,660	+10
Pioneer	2,880	+60
Renown	600	−16
Ricoh	880	−15
Sankyo	788	+5

Indices

LONDON STOCK EXCHANGE

MARKET REPORT

Speculative stocks flourish as promising early rally in equity leaders loses momentum

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Aug 15	Sept 1	Sept 2	Sept 12
Sept 5	Sept 15	Sept 16	Sept 26
Sept 19	Sept 29	Sept 30	Oct 10

* "New-time" dealings may take place from 9.30 am two business days earlier.

A promising early rally after the depression of the two previous sessions lost momentum yesterday and London equity markets subsequently extended their uncertain phase. The approaching long week-end holiday inhibited investment business, but interest was aroused by company trading statements. Speculative activity revived, not only for Irish Sea oils but also for other situation stocks and many secondary industrial issues.

Chief among several leading groups to report news items was Blue Circle Industries. An early misreading of the interim profits caused BCI to shoot up to 467p before almost immediately slumping to 420p and closing a net 17 down at 428p. Britoil's half-yearly results also failed to inspire and the shares, up to 256p ahead of the announcement, reacted to the overnight 238p before settling 6 up on balance at 244p.

The quartet of Irish Sea oil exploration hopefuls shrugged off the trials and tribulations related to last Monday's settlement of previous Account losses; a large trade built up and all four stocks achieved good gains with Atlantic Resources 40 better at 325p and Aran Energy 8 up at 42p.

The irregular pattern of leading shares was borne out by constituents of the FT Industrial Ordinary share index. Of these, 14 were higher, with Lucas Industries outstanding, 9 down and the remainder unchanged. The index, after posting a rise of three points at noon, closed only 0.8 up on the session at 717.4. Equity sentiment was not helped by the indecision persisting early yesterday on Wall Street.

Last month's swing back to a UK balance of payments deficit failed to unsettle Government stocks. All maturities made forward progress with index-linked issues again leading the advance; renewed investment demand in a market extremely short of stock produced fresh gains extending to a point and a half, Treasury 2 per cent 1996 being that much higher at 103½. Conventional Gilts were a maximum of ¾ dearer on the day.

Insurances better

Firmer conditions returned to the Insurance sector. Refuge featured Life issues with a rise of 8 to 412p in response to the interim figures, while Pearl rallied 5 to 714p following comment on the half-year statement. Prudential closed 6 dearer at 484p. Among Composites, General Accident, at 460p, retrieved the previous day's fall of 8 and Royals also rallied the same amount to 538p. Reflecting revived bid hopes, Eagle Star improved 7 to 457p, while Commercial Union, 169p, and GRE, 534p, rose 4 apiece.

Recent newcomers to the Unlisted Securities Market featured Invent Energy which, in a narrow market, jumped 30 to 230p. Scusa recovered 4 to 112p.

First interpretations of BCI's half-year results saw the share price advance to 467p, but further reflection on the statement caused a sharp reaction to 417p before a close of 428p, down 17 on the day. Elsewhere in the Building sector, London Brick ended 3 firmer at 88p, after 89p, helped by comment on the interim figures and a revival of bid talk. Taylor Woodrow continued to give ground at 530p, down 5, but Costain Group picked up 4 to 210p and Mowlem closed similarly dearer at 210p. Rohan Group displayed late weakness at 130p, down 25, on the fall in interim profits. The encouraging tenor of the chairman's annual statement failed to help Redland, which eased a couple of pence to 238p.

Still reflecting the good interim results, Novo Industries advanced 4 more to £211 for a two-day jump of 18½. Scottish Agricultural responded to the increased interim dividend with a rise of 6 to 283p. ICI traded on a relatively quiet note and closed unaltered at 324p, after 326p.

Frasers rally

A lacklustre sector of late, leading retailers attracted scattered support and often closed with useful gains. Debenhams were outstanding with a rise of 7 to 135p in belated response to favourable comment. GUS A, 530p, and British Home, 212p, both firmed around 5. House of Fraser, dull recently following news of the Department of Trade investigation into shareholdings in the company, rallied sharply on reports of continued buying by Mr Jack Hayward which sparked a sympathetic response and resulted in a gain of 18 to 246p. Raybeck, preliminary results today, eased another penny to 33p. In contrast, J. Hepworth attracted a brisk trade on revived speculative support and advanced 12 to 184p. Lee Cooper hardened a few pence to 138p after Press mention.

Some good features emerged in secondary Electricals, usually on company news. BSR stood out with a rise of 8 to 178p, after 180p, following the strong first-half profits recovery and the resumption of dividends. An 87 per cent jump in interim profits buoyed Lec Refrigeration, the close being 30 higher at 280p, while Dale reflected annual results with a gain of 4 at 88p. Buying in a thin market ahead of next Thursday's mid-term statement helped Micro Business Systems to rise 35 to 455p, after 460p, and Security Centres moved up 5 to 295p following the chairman's confident annual statement. Energy Services found support and put on 3½ to 44p, while MK rallied 10 further to 320p. Against the trend, Immediate Business Systems fell 11 to 176p on the increased annual deficit. The leaders closed mixed after a quiet trade. Thorn EMI ended 5 down at 583p but BICC improved that much to 220p; the latter's interim results are scheduled for September 7.

Engineers presented a ragged appearance. Comment in a tip sheet generated buying interest in Stothert and Pitt which gained 10 to 108p, while better-than-expected preliminary results prompted a gain of 3 to 59p in J. Saville Gordon. Comment on the interim figures left Rotork 4 to the good at 67p, but Capper-Neill eased a penny to 16p following the annual loss and refinancing proposals. Parkfield Foundries rallied 3 to 33p, but Spear and Jackson gave up 6 to 96p and Haden reacted afresh to close 7 down at 263p. Other dull spots included ML Holdings, 10 off at 255p, and Westland, 3 cheaper at 138p.

With some important trading statements scheduled for next week, Foods took on a firmer appearance although business levels again left much to be desired. Associated Dairies, annual results next Wednesday, rallied 4 to 164p, while Kwik-Save, 303p, Linfood, 314p, and Nurdin and Peacock, 142p, all rose a couple of pence. Among Manufacturers, Cadbury Schweppes, interim results next Thursday, gained the turn to 103p, while Avana rose 5 to 460p.

Among Hotels, Queens Moat Houses held the overnight level of 35½p following the increased interim profits and dividend.

The liquidation of speculative positions on fading bid hopes brought about a sharp fall in Bowater which touched 220p before closing a net 10 down at 222p. Glaxo succumbed to renewed profit taking and ended the same amount lower at 800p, while Reed International gave up 6 to 312p and Fisons 5 to 710p. BTR, however, rose 4 to 542p, after 547p, and Boots picked up 3 to 177p. Elsewhere in miscellaneous industrials, Bath and Portland, a dull market of late ahead of the interim figures, rebounded 12 to 114p on first-half profits which proved better than most recent pessimistic forecasts and, news that the group is to sell its loss-making civil engineering interests. Details of the deal with Barlow Rand left J. H. Fenner 3 higher at 77p, while Royal Worcester rallied 15 to 260p. Comment on the results helped Hawley to rise 5 to 180p and Copydex continued to reflect the bumper first-half figures with an improvement of a penny for a gain on the week so far of 36 at 99p. BBA closed a few pence off at 38p following the interim results and Turner and Newall eased 2 more to 58p on further consideration of the Government's tightening of controls on the use of asbestos. Bellair Cosmetics at 580p, gave up 20 of the previous day's rise of 100.

Leisures featured Miss World which attracted useful support in the wake of Press comment highlighting the company's takeover potential and improved 25 to 165p; the first-half results are due today. Herrburger Brooks, makers of piano actions, hardened a couple of pence to 35p following the return to profits. Among televisions, buyers were about for LWT "A," 166p, and HTV, 159p, up 7 and 5 respectively.

Lucas rallied 7 to 170p, after 171p, following overnight news of the agreement with British Aerospace concerning the joint production of the new anti-radar missile system. Elsewhere, Motor sectors traded quietly and with little distinction. Lex Service remained friendless and gave up 3 more to 340p, although speculators again displayed modest interest in Jessups, 2 dearer at 76p.

International Thomson continued to benefit from Wednesday's interim statement and rose 15 to record a two-day gain of 21 at 635p. John Waddington dipped to 255p before reverting to the overnight level of 261p following news that shareholders of some 5.5 per cent of the capital previously assented to the offer from British Printing and Communication had lodged withdrawal notices; the shareholders concerned were later identified as Norwich Union and Scottish Amicable. BPCC, which is likely to extend its offer beyond today's already extended closing date, finished a penny to the good at 107p.

Little of interest took place in Properties. Bairstow Eves gave up 4 to 80p and Churchbury Estates ended 5 off at 525p. The leaders rarely strayed from overnight levels.

In Textiles, Carpets International, a relatively buoyant market of late, reacted 5 to 71p, the first-half profits recovery proving smaller than anticipated. Sunbeam Wolsey firmed a penny to 34p following the more-than-doubled mid-term earnings and the return to the dividend list.

The recent statement giving up-to-date particulars on Wordnet (UK), interest revived in Yelverton which put on 4 to a peak of 81p.

Irish oils rally

Irish exploration Oils staged a welcome rally after several day's of persistent weakness. Atlantic Resources regained 40 to 325p and Aran 8 to 42p, while Bula Resources were 2 better at 19p and Eglinton 30 higher at 180p. A statement on the commercial viability of Atlantic's well off the Waterford coast is expected shortly. Elsewhere, Britoil advanced to 256p before falling back on uninspiring interim figures to 238p and settling at 244p, up 6 on the day. After looking a little uncertain at one stage, other leading Oils firmed in the late dealings, BP ending 4 higher at 432p and Shell a couple of pence better at 620p. Burmah improved 5 to 173p, while Lasmo, dull recently on the half-year figures, rallied 10 to 350p. Sun (UK) Royalty recovered 40 to 260p.

Golds firmer

Mining markets put up a much brighter performance, although widespread gains in South African Golds, Financials and Platinums owed more to currency considerations than actual buying interest.

The renewed weakness of sterling against the dollar together with small Johannesburg and Continental buying left the majority of South Africa Golds with modest gains and the Gold Mines index 6.4 up at 672.6.

Bullion failed to give much of a lead to the sharemarket, but remained steady around the $423 level for most of the day prior to closing 25 cents easier at $423.625.

Leading Golds were highlighted by Randfontein, which moved up £2½ to £101, while Hartebeest rose £1½ to £57¾.

Gains of around ½ were common to Winkelhaak, £31¼, Southvaal, £43¾ and Free State Geduld, £32½.

Second-line issues provided features in South African Land, 14 firmer at 556p and Western Areas, which put on 10 at 480p.

Recently active Financials were much quieter. De Beers managed a minor recovery and closed 7 to the good at 642p, having lost 45 over the previous two days, while "Amgold" edged up a half-point to £83½. Gold Fields of South Africa were £1¾ higher at £89¾. In Coals, Transvaal Consolidated Land added a half-point at £32.

The profit-taking evident in Platinums on Wednesday was not resumed and aggressive buying quickly followed. Rustenburg were particularly favoured and moved up 26 to a 1983 high of 824p, while Impala put on 19 to 939p.

Profit-taking lowered the majority of Australian issues, although the exceptions included Bond Corporation, 2 firmer at a 1983 high of 70p. Gold Mines of Kalgoorlie, a further 10 up at 690p and Renison, 6 to the good at 290p, the last-named following the results.

London Financials showed RTZ 13 higher at 660p on firmer copper and zinc prices. Gold Fields edged up 2 to 620p and Charter a like amount to 265p.

Demand for Traded Options remained at a low ebb and only 1,264 contracts were transacted—the lowest for almost three months. Reflecting the general torpidity of the equity market, puts exceeded calls although this was mainly attributable to a relatively buoyant trade in Courtaulds which recorded 450 puts out of a grand total of 753. By way of contrast, scattered support was evident for RTZ call positions especially the November 650's, 8 up at 43p, and the November 700's, 6 better at 20p.

FINANCIAL TIMES STOCK INDICES

	Aug. 25	Aug. 24	Aug. 23	Aug. 22	Aug. 19	Aug. 18	year ago
Government Secs.	79.71	79.63	79.67	79.82	79.51	79.63	78.09
Fixed Interest	82.51	82.65	82.62	82.65	82.43	82.62	78.22
Industrial Ord.	717.4	716.6	724.0	740.4	735.7	738.9	576.1
Gold Mines	672.6	666.2	668.2	661.2	660.0	655.8	314.2
Ord. Div. Yield	4.71	4.69	4.65	4.54	4.57	4.54	5.16
Earnings, Yld.% (full)	9.54	9.50	9.42	9.19	9.25	9.180	11.52
P/E Ratio (net) (*)	13.06	13.10	13.22	13.54	13.46	13.55	10.40
Total bargains	19,701	19,160	21,038	19,663	21,700	21,292	19,014
Equity turnover £m.	—	182.69	177.31	176.29	166.65	238.92	123.93
Equity bargains	—	16,579	18,222	18,409	17,792	19,478	12,794
Shares traded (ml)	—	108.1	109.6	122.0	104.5	139.9	82.6

10 am 717.1. 11 am 719.0. Noon 719.6. 1 pm 717.8. 2 pm 717.8. 3 pm 718.0.

Basis 100 Govt. Secs 15/10/26. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/10/55. SE Activity 1974.

Latest Index 01-246 8026.

Nil=12.34.

HIGHS AND LOWS

	1983 High	1983 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	83.60 (15/8)	77.00 (24/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	84.74 (15/8)	79.03 (1/2)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	740.4 (22/8)	598.4 (12/1)	740.0 (22/8/83)	49.4 (26/6/40)
Gold Mines	734.7 (15/2)	531.6 (29/6)	734.7 (15/2/83)	43.5 (26/10/71)

S.E. ACTIVITY

	Aug. 24	Aug. 23
—Daily		
Gilt Edged Bargains	132.8	136.8
Equities Bargains	107.4	118.1
Value	369.5	358.4
5-day Avrge		
Gilt Edged Bargains	140.5	141.9
Equities Bargains	117.2	121.8
Value	376.7	381.5

WEDNESDAY'S RISES AND FALLS

	Rises	Falls	Same
British Funds	16	49	36
Corpns. Dom. and Foreign Bonds	8	20	49
Industrials	149	433	778
Financial and Prop.	43	190	283
Oils	13	50	48
Plantations	1	3	17
Mines	36	59	66
Others	52	79	61
Totals	318	883	1,339

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	81	—	20
Corpns. Dom. and Foreign Bonds	13	8	56
Industrials	283	214	883
Financial and Prop.	75	72	369
Oils	37	17	58
Plantations	2	1	18
Mines	57	39	65
Others	75	41	74
Totals	603	392	1,543

NEW HIGHS AND LOWS FOR 1983

NEW HIGHS (38)

COMMONWEALTH & AFRICAN LOANS (1)
Austr 6pc 1981-83

AMERICANS (2)
Damson Oil; IU International

CANADIANS (2)
Bell Canada; Brascan

BANKS (1)
Trade Develop Bank

BREWERS (1)
Clark (Matthew)

BUILDINGS (1)
Brownlee

CHEMICALS (1)
Scot Agricultural

ELECTRICALS (4)
BSR Intnl; Micro Bus Systems; Lec Refrigeration; Webber Electro

ENGINEERING (1)
Birmingham Pallet

INDUSTRIALS (3)
British Syphon; Sandhurst Mark; Copydex

INSURANCES (2)
Refuge Assur; Sun Alliance

LEISURE (1)
Miss World Grp

MOTORS (1)
Jessups

NEWSPAPERS (1)
Bristol Evening Post

PAPERS (2)
Bemrose; Clondalkin

SHOES (1)
Strong & Fisher

TRUSTS (8)
Anglo-Intl Div; Raeburn Inv; Fleming Far Eastern; Split Inc; Fleming Japanese; Ex Lands; GT Japan; Yelverton Invs

OILS (3)
Century Oils; Hunting Petroleum; Genoa NL

OVERSEAS TRADERS (1)
Great Northern

MINES (1)
Bond Corp

NEW LOWS (9)

BUILDINGS (5)
Dew (George); Roberts Adlard; Lawrence (W.); Watts Blake; Maunders (J.)

STORES (1)
De Beett (Andre)

ENGINEERING (3)
Banro Inds; Wellman; Danks Gowerton

OPTIONS

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Aug 22	Sept 9	Nov 24	Dec 5
Sept 12	Sept 23	Dec 8	Dec 19
Sept 26	Oct 7	Dec 22	Jan 3

For rate indications see end of Share Information Service

Stocks favoured for the call included Dunlop, Mettoy, Cultus Pacific, Edenspring, Rockware, First National Finance, John Brown, Bath and Portland, BSR, Cadbury Schweppes, Mitchell Cotts, W. E. Norton, Jacksons Exploration, Glaxo, Ocean Transport, Turner and Newall, 600 Group, Dixons, Sunmask, Birmid Qualcast and Bairstow Eves. Puts were done in Beechams, Royal Insurance and NatWest, while doubles were taken out in J. Sainsbury and Dunlop.

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Thur Aug 25 1983 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Wed Aug 24 Index No.	Tues Aug 23 Index No.	Mon Aug 22 Index No.	Fri Aug 19 Index No.	Year ago (approx) Index No.
1	CAPITAL GOODS (207)	467.06	−0.2	8.80	3.74	14.65	468.08	472.76	480.83	478.88	410.05
2	Building Materials (23)	433.04	−0.2	10.57	4.62	11.83	433.72	438.22	438.25	436.83	344.78
3	Contracting, Construction (30)	726.84	+0.3	12.26	4.74	10.14	724.84	737.64	745.44	741.22	641.86
4	Electricals (35)	1728.02	−0.8	7.77	2.19	16.73	1741.08	1750.74	1792.12	1790.02	1627.70
5	Engineering, Contractors (10)	471.29	−0.4	14.27	6.05	8.71	472.95	477.51	483.88	481.81	474.46
6	Mechanical Engineering (64)	202.31	+0.4	11.82	5.53	10.64	201.55	204.23	206.20	206.45	200.68
8	Metals and Metal Forming (10)	180.60	+0.3	10.25	6.49	11.86	180.12	183.85	185.97	184.82	152.51
9	Motors (18)	117.97	+0.5	—	4.86	—	117.43	120.13	122.58	119.85	81.18
10	Other Industrial Materials (17)	542.06	+0.4	5.36	4.06	24.59	540.13	545.62	553.65	553.14	347.58
21	CONSUMER GROUP (199)	436.99	+0.5	10.33	4.39	11.87	434.71	439.71	446.20	442.99	329.15
22	Brewers and Distillers (23)	458.62	—	12.21	4.96	10.22	458.80	463.98	471.32	467.01	371.96
25	Food Manufacturing (22)	336.54	+0.8	13.38	5.87	8.75	334.01	338.34	341.16	340.84	281.62
26	Food Retailing (13)	920.40	+0.9	7.28	2.68	17.78	912.57	925.98	935.31	933.25	694.17
27	Health and Household Products (8)	782.13	−0.5	5.66	2.74	21.00	785.87	798.56	817.67	811.86	507.27
29	Leisure (22)	576.64	−0.2	8.81	4.70	14.61	577.83	584.36	587.90	583.88	418.18
32	Newspapers, Publishing (14)	953.11	+0.1	8.60	3.42	14.20	952.56	966.67	963.23	960.76	529.08
33	Packaging and Paper (14)	189.95	−1.2	11.71	5.32	10.37	192.33	194.56	196.36	195.20	139.86
34	Stores (48)	397.62	+1.2	7.94	3.75	17.07	392.72	397.65	403.06	399.82	294.11
35	Textiles (22)	215.64	+0.1	11.57	5.32	10.32	215.47	218.71	219.74	219.00	164.82
36	Tobaccos (3)	420.69	+2.9	23.54	7.39	4.76	408.80	413.94	418.28	409.18	349.57
39	Other Consumer (10)	418.49	−0.2	5.77	3.54	—	419.21	423.68	423.69	421.26	261.09
41	OTHER GROUPS (79)	388.61	—	8.04	4.40	15.76	388.49	391.92	397.68	396.45	257.17
42	Chemicals (15)	531.82	—	8.50	4.75	15.40	531.97	535.12	549.13	546.54	333.60
44	Office Equipment (6)	114.22	−0.3	8.40	4.50	15.20	114.57	114.65	114.77	116.50	100.05
45	Shipping and Transport (15)	718.74	+0.2	6.72	5.66	21.61	717.08	720.96	722.40	716.45	561.52
46	Miscellaneous (43)	530.67	+0.1	7.88	3.80	15.24	530.26	537.17	541.97	540.68	343.77
49	INDUSTRIAL GROUP (485)	443.75	+0.2	9.46	4.18	13.21	442.87	447.55	454.25	452.00	346.50
51	Oils (15)	1033.01	+0.9	10.68	5.63	11.42	1023.68	1029.84	1055.25	1056.52	671.07
59	500 SHARE INDEX	493.23	+0.3	9.68	4.44	12.85	491.63	496.43	504.72	502.78	373.14
61	FINANCIAL GROUP (122)	337.39	+0.5	—	5.64	—	335.62	339.44	342.09	340.36	240.86
62	Banks (6)	351.28	−0.1	24.35	7.25	4.48	351.63	352.93	354.44	352.48	259.47
63	Discount Houses (8)	295.40	+0.2	—	9.16	—	294.81	294.00	292.99	290.82	272.06
65	Insurance (Life) (9)	487.24	+0.6	—	4.50	—	484.10	490.59	495.46	495.07	271.52
66	Insurance (Composite) (10)	235.08	+2.1	—	6.42	—	230.29	235.14	238.69	237.07	157.58
67	Insurance Brokers (7)	554.44	+0.4	12.05	5.36	11.48	552.04	559.99	570.25	566.29	523.81
68	Merchant Banks (13)	204.96	—	—	4.42	—	204.93	207.53	206.59	204.23	141.54
69	Property (53)	459.00	−0.1	6.11	4.07	22.01	459.27	462.33	461.75	459.64	427.50
70	Other Financial (16)	241.63	−0.1	11.33	5.57	10.64	241.82	245.59	250.58	249.62	165.28
71	Investment Trusts (109)	448.81	−0.2	—	3.95	—	449.56	452.22	454.36	453.58	301.75
81	Mining Finance (4)	325.07	+1.3	5.77	4.50	22.27	320.87	324.93	330.44	327.82	216.25
91	Overseas Traders (15)	495.85	+0.5	7.27	7.54	21.09	493.25	505.88	504.53	505.99	361.37
99	ALL-SHARE INDEX (750)	456.14	+0.4	—	4.64	—	454.52	459.07	465.67	463.82	340.29

EUROPEAN OPTIONS EXCHANGE

Series		Nov. Vol.	Nov. Last	Feb. Vol.	Feb. Last	May Vol.	May Last	Stock
GOLD C	$400	—	—	—	—	6	61	$423.75
GOLD C	$425	14	19	—	—	—	—	"
GOLD C	$450	7	9 B	12	20	18	31	"
GOLD C	$475	3	5.50 B	—	—	—	—	"
GOLD C	$550	30	2	—	—	—	—	"
GOLD P	$375	—	—	1	7	—	—	"
GOLD P	$400	25	6	2	10	—	—	"
GOLD P	$425	40	14	—	—	—	—	"
		Sept.		Dec.		March		
SILV C	$10	—	—	1	2.70 B	—	—	$12.66
SILV C	$11	1	1.60 B	—	—	—	—	"
SILV C	$12	6	0.70 B	10	1.55	5	1.90 B	"
SILV C	$13	—	—	3	0.70	901	1.50	"
		Oct.		Jan.		Apr.		
AKZO C	F.55	15	22	30	21.50	—	—	F.75.40
AKZO C	F.60	50	15.50	7	18	—	—	"
AKZO C	F.65	196	11.20	10	14 B	—	—	"
AKZO C	F.70	109	7.50	80	11.40	18	13.40	"
AKZO C	F.80	397	3	100	6.20	30	8.80	"
AKZO P	F.60	7	0.50	—	—	—	—	"
AKZO P	F.65	30	1	12	1.50	—	—	"
[illegible]								

TOTAL VOLUME IN CONTRACTS: 18,242

A=Asked B=Bid C=Call P=Put

RECENT ISSUES

EQUITIES

[illegible]

FIXED INTEREST STOCKS

[illegible]

"RIGHTS" OFFERS

Issue price	Amount paid up	Latest Renunc. date	1983 High	1983 Low	Stock	Closing price	+or−
[illegible]							
10	Nil	—	2½pm	1¼pm	‡Sheraton Secs. 10p	1¼pm	−¼
95	Nil	14/10	45pm	31pm	Steinberg 10p	31pm	−2
175	F.P.	30/9	240	216	Unitech 10p	218	+2
100	Nil	16/9	125pm	102pm	United Parcels 10p	115pm	......

Renunciation date usually last day for dealing free of stamp duty. *b* Figures based on prospectus estimates. *d* Dividend rate paid or payable on part of capital; cover based on dividend on full capital. *g* Assumed dividend and yield. *u* Forecast dividend cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1983. H Dividend and yield based on prospectus or other official estimates for 1983-84. Q Gross. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. ● Figures or report awaited. § Placing price. *p* Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or take-over. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. ‡ Effective issue price after scrip. † Formerly dealt in under special rule.

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change
Aran Energy	42	+ 8
Atlantic Res.	325	+40
BSR	178	+ 8
Bath & Portland	114	+12
Blue Circle	428	−17
Bowater	222	−10
Britoil	244	+ 6
Carpets Intl.	71	− 5
De Beers Dfd.	642	+ 7
Hepworth (J.)	184	+12
House of Fraser	246	+18
Lucas Inds.	170	+ 7

WEDNESDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List.

Stock	No. of changes	Wed. close	Day's change
Bellair Cosmets	18	600	+100
Glaxo	17	810	—
Lasmo	15	340	−12
De Beers Dfd	13	635	−30
RTZ	13	647	− 8
ICI	12	524	+ 2
Rank Org.	12	183	+ 5
B.H. Props.	11	676	−22
London Brick	11	85	+ 2
Ultramar	11	686	—
Edenspring Inv	10	12½	+ 1¼
Hawley Grp	10	175	−10
Rivlin (I.D.&S.)	10	75	+ 5
Beecham	9	343	− 2

LONDON TRADED OPTIONS

[illegible]

Aug. 25 Total Contracts 1,264 Calls 571 Puts 753

* Underlying security price.

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

1983 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
102⅛	100¼	Exch. 13½pc '83	100⅜	+⅛	13.39	9.62
100⅜	98¼	Exch. 10pc 1983	100⅛	.....	10.00	9.54
98¾	96¼	Funding 5½pc '82-84‡‡	98⅝	+1/16	5.57	8.54
101¼	99½	Exch. 11¼pc 1984	100⅜	+⅛	11.18	9.67
104⅞	102⅛	Exchequer 14pc 1984	102⅜	+1/16	13.69	10.51
95⅜	92½	Exch. 3pc 1984	94⅝	+1/16	3.17	9.88
102⅞	100⅞	Treasury 12pc 1984	101½xd	+1/16	11.83	10.53
107⅞	104⅞	Treasury 15pc 1985	105¼	.....	14.25	11.04
107	101⅛	Exch. 12pc Cnv. '85	101⅝	+1/16	11.81	10.90
91⅝	88⅝	Treasury 3pc 1985	91	+1/16	3.30	8.67
102⅜	99⅞	Treasury 11½pc 1985	100⅝	+⅛	11.43	11.88
102	95	Treas 8¾pc Cnv '85	96¾xd	+1/16	9.04	10.56
103⅝	100⅛	Exch. 12¼pc 1985	101⅜	+1/16	12.06	11.37
102⅜	99⅛	Exch. 11¾pc '86	100⅞xd	+⅛	11.67	11.40
40¼	40	Tr. 10pc Cnv '86 (£40pd)	40⅜	+⅛	10.23	10.95
88½	85⅝	Treasury 3pc 1986	86⅝	.....	3.46	8.58
101⅞	97⅛	Exch. 10½pc Cv '86	97⅞	+⅛	10.74	11.43
103⅞	100⅛	Treasury 12pc '86	100⅞	+⅛	11.90	11.58
94⅞	94⅝	Treasury 8½pc '84-86‡‡	94⅞	.....	8.96	10.61
114	103¾	Treas. 12¼pc '86 Cnv	105¼	.....	11.64	10.07
109⅜	105⅜	Exch. 14pc 1986	105⅝	+⅛	13.25	11.79
107¼	103⅝	Exch. 13¼pc 1987	104⅜	+¼	12.70	11.65
97⅞	95⅞	Tr 10¼pc Cv '87	96¼	+⅛	10.65	11.58
84⅜	80¼	Exchequer 2½pc 1987	81⅛	.....	3.08	8.87
100⅞	95⅞	Exch. 10½pc 1987	96⅞	+¼	10.84	11.56
99⅛	96	Exch. 10½pc 1987A	96¾	+¼	10.85	11.61
93¼	88⅛	Funding 6½pc '85-87‡‡	88⅜	.....	7.36	10.23
86	80¾	Treasury 3pc 1987	80⅞	.....	3.71	8.92
104⅝	99⅞	Treas 12pc 1987	100⅜	+⅛	11.93	11.74
93⅛	89⅞	Treasury 7¾pc '85-88‡‡	89⅞	.....	8.62	10.62
101½	95½	Exch 10½pc '88	96¼	+⅛	10.91	11.53
81½	75¾	Transport 3pc '78-88	77	.....	3.90	8.94
		Five to Fifteen Years				
96½	90¾	Treas. 9½pc '88	95	+¼	10.36	11.64
94⅞	91⅞	Treas 9½pc '88 'A'	92⅞	+1/16	10.35	11.67
104⅝	95¾	Treasury 11½pc 1989	98½xd	.....	11.69	11.90
97⅞	94¼	Treas 10½pc 1989	97	+¼	11.16	11.90
83¼	76¼	Treasury 5pc '86-89	78	.....	6.56	10.33
112½	103	Treasury 13pc 1990‡‡	106⅛	+⅛	12.42	11.92
108¾	100⅞	Exch. 12½pc 1990	101⅝xd	+⅛	12.19	11.95
92	86¼	Treasury 8¼pc '87-90‡‡	87⅜	+⅛	9.62	11.29
106¼	97	Treasury 11¾pc 1991	100½	.....	11.87	11.94
83	75¾	Funding 5¾pc '87-91‡‡	77⅜	.....	7.65	10.58
103	95⅞	Exch. 11pc 1991	100	+⅛	11.42	11.70
114⅛	102	Treasury 12¾pc '92‡‡	105⅞	+⅛	12.18	11.84
99⅞	88¾	Treasury 10pc 1992	92⅝xd	+⅛	10.81	11.48
110¼	98½	Exch. 12¼pc '92	102⅛xd	+⅛	12.00	11.86
116	106½	Exchequer 13½pc '92	107⅛xd	+⅛	12.49	12.01

LOANS—Continued

1983 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
		Financial				
102½	101	Inv in Ind 14pc 1983	101¼	.....	13.86	9.74
96	92	Do 6¼pc Db '81-84	95½xd	.....	6.51	9.45
106½	96¼	Do. 10½pc Uns Ln '86	98	.....	10.81	11.90
104	96½	Do. 11pc Uns.Ln. '88	97½	.....	11.40	11.80
104½	97½	Do. 11¾pc Uns.Ln '90	100½	.....	11.88	12.00
106½	91½	Do. 12½pc Un Ln. 1992	100½xd	.....	12.44	12.48
78¾	74½	Do. 7¼pc A Deb '89-92	76½	.....	9.71	11.50
77½	70½	Do 7¼pc A Deb '91-94	73½xd	.....	9.86	11.50
87⅛	80½	Do. 9pc 'A' '91-94	82½xd	.....	10.91	11.90
86	72⅞	Do. 8⅞pc Ln. '92-97	81	.....	10.99	11.60
		Building Societies				
100¼	98⅞	N'wide 11¼pc 30.8.83	100	.....	—	—
100⅛	99¼	Do. 11⅜pc 3.10.83	100	.....	11.38	10.56
99⅞	98	Do. 9⅞pc 31.10.83	99¾	.....	9.96	10.76
99¾	98	Do. 9⅞pc 28.11.83	99¾xd	.....	9.90	10.39
100½	99⅞	Do. 11¼pc 19.12.83	100¼xd	.....	11.24	10.62
100⅞	99	Do. 11⅞pc 23.1.84	100½	.....	11.82	10.48
100⅞	100	Do. 11⅞pc 13.2.84	100½	.....	11.82	10.75
100⅝	99	Do. 11¼pc 19/3/84	100⅝xd	.....	11.18	10.30
100⅝	99⅞	Do. 11¼pc 9/4/84	99⅞	.....	11.26	11.54
100¼	99½	Do 10⅝% 30/4/84	99⅝	.....	10.76	11.65
100⅛	99⅝	Do 10⅞% 29/5/84	99⅝	.....	10.92	11.36
100⅞	99½	Do. 10⅞pc 18.6.84	99½	.....	10.93	11.28

FOREIGN BONDS & RAILS

1983 High	Low	Stock	Price £	+ or –	Div. % Gross	Red. Yield
13	8	Chinese 4½pc 1898	13	.....	—	—
11	10	Do. 5pc 1912	10	.....	—	—
11	8	Do. 5pc 1913	8½	.....	—	—
8	5½	Do. 5pc '25 Boxer	7½	.....	—	—
47	40	Greek 7pc Ass.	46xd	.....	3½	f7.61
45	41	Do. 6pc 28 Stb. Ass.	44	.....	3	f6.84
44	38	Do 4pc Mixed Ass.	42	.....	2	f4.79
34	27	Hung. '24 Ass.	34xd	.....	2¼	f8.09
120	102½	Hydro Quebec 15pc Ln 2011	116½xd	.....	15	13.21
76	75	Iceland 6½pc '83-88	75	.....	6½	13.55

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

1983 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
120	102½	Australia 13½pc 2010	110¼	.....	12.36	12.31
120	85	Euro Inv Bk 11pc Ln 2002	91½xd	+¼	12.02	12.03
107¾	103½	Finland 14½pc Ln 1986	105¾	.....	13.78	12.11
102⅞	90⅛	Int-Am Dev Bk 12½pc 2003	99¼	.....	12.81	12.82
106½	102½	Int. Bank 13½pc 1986	103¼xd	.....	13.08	12.01
108¾	104¾	Do. 14pc Ln 1987	105½	.....	13.27	12.04
32	27	Mlysia 12½pc Ln '88 £30	29	+¼	12.43	12.66
94	77¾	Mex 16½pc 2008	83½xd	.....	19.58	21.58
109¾	104¾	N.Z. 14½pc 1987	106¼	.....	13.41	12.14
33	27¼	D. 11¼pc 2008 (£30pd)	28¾	+¼	12.29	12.35
105½	101½	Sweden 13½pc 1986	103	.....	13.11	12.09
111	95	Do. 13½pc Ln 2010	105¾	+¼	12.92	12.88

CORPORATION LOANS

1983 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
101	97	Bath 11¼pc 1985	99⅜xd	−⅛	11.32	11.53
103	99¾	Birm'ham 12½pc 1985	101½	−¼	12.31	11.46
105⅞	101½	Burnley 13pc 1987	103¼	.....	12.59	11.87
100	95½	Cardiff 11pc 1986	97¾	−¼	11.26	11.84
102½	101	G.L.C. 13¼pc 1984	101⅛	.....	13.07	10.12
78¾	70½	Do. 6¾pc 90-92	73¼	+¼	9.23	11.85
86¾	82¾	Herts 6½pc 1985-87	85¾	.....	7.89	11.40
118½	107½	Leeds 13½pc 2006	116¼	+¼	12.17	12.07
99⅝	97	Liverpool 9¾pc '80-84	99⅜	.....	9.81	10.58
30	27½	D. 3½pc Irred.	29xd	+¼	12.47	—
102	100½	Lon. Corp. 13¼pc '83	100½	.....	13.18	10.41
97¼	93¾	Do. 9½pc '84-85	95¾	.....	9.66	11.55
95⅞	81¼	LCC 5½pc '82-84	95¾	−⅛	5.75	10.53
83¾	78¼	Do. 5½pc '85-87	81⅞	+⅛	6.72	11.51
81	75	Do 6¾pc '88-90	78	+¼	8.74	11.65
26⅛	23¼	Do. 3pc '20 Aft.	24¼xd	+¼	12.27	—
102½	100	Sunderland 12¼pc 1984	101⅝	−⅛	12.06	10.78

COMMONWEALTH AND AFRICAN LOANS

1983 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
100¼	94¼	Aust. 6pc 1981-83	100¼	+⅛	6.07	10.01
78¾	74¼	N.Z. 7¼pc 1988-92	77½xd	.....	9.48	11.55
92¼	88¼	Do. 7½pc '83-86	90½xd	.....	8.42	12.17
181	158	S. Rhod. 2½pc Non-Ass	181	.....	—	—
86	74	Do. 3½pc 80-85 Assd	82	−1	4.35	14.80
57	44	Do. 4½pc 87-92 Assd	54	−1	8.36	13.90
395	321	Zimbabwe Ann (£100pa)	392	−3	—	14.16

LOANS

Public Board and Ind.

1983 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
77½	71¼	Agric. Mt. 5pc '59-89	73¼xd	+¼	6.89	11.57
35½	31¼	Met. Wtr. 3pc 'B'	34	.....	8.80	11.57

CANADIANS

1983 High	Low	Stock	Price	+ or –	Div. Gross	C'vr	Y'ld Gr's
17½	13	Bk. Montreal $2	14½xd	+⅛	$1.96	—	[illegible]
23¾	16¾	Bk. Nova Scot.‖	21⅛xd	+¼	$1.92	—	[illegible]
110p	100p	Barrick Res Corp.	105p	+4	—	—	—
15	11⅞	Bell Canada‖	15xd	+⅛	$2.08	—	[illegible]
15¼	850p	♥Bow Valley‖	14¾	−¼	15c	—	[illegible]
19¼	982p	Brascan‖	19¼	+¼	$1.60	—	[illegible]
575p	8p	Breakwater Res	515p	.....	—	—	—
20⅞	15⅝	Can. Imp. Bk. $2	17⅞xd	.....	$2.08	—	[illegible]
26⅝	17⅞	Can Pacific $5	25xd	+⅛	$1.40	—	[illegible]
34¼	28	Do. 4pc Deb. £100	33½	.....	4%	—	[illegible]
13½	880p	Can. P. Ent.‖	11⅛	+⅛	80c	—	[illegible]
140p	65p	♥Greenwich Res Inc.	140p	.....	—	—	[illegible]
10½	704p	♥Gulf Can. ‖	996p	−4	44c	—	[illegible]
10⅝	712p	♥Hawker Sid Can‖	908p	+21	96c	—	[illegible]
16½	12½	♥Hollinger $5	12½	.....	s$2.20	—	[illegible]
13⅝	914p	Hudson's Bay ‖	13	+¼	60c	—	[illegible]
20⅞	14	♥Imperial Oil‖	20¾	+⅛	$1.40	—	[illegible]
10¼	720p	Inco‖	10⅝xd	+⅛	$US20c	—	[illegible]
870p	665p	♥Intl Nat Gas $1	825p	.....	$1.10	—	[illegible]
402p	190p	Massey Ferg.‖	309p	−4	8—	—	[illegible]
31	18¾	♥Rio Algom	30⅝	+1	$1.50	—	[illegible]
18	13¾	Royal Bk. Can. $1	15⅞xd	.....	$2.00	—	[illegible]
21¾	15½	Seagram Co. C$1	20¼xd	+⅛	US$0.68	—	[illegible]
90p	65p	♥Talcorp	77p	.....	—	—	—
145p	115p	♥Do pref $3	135p	.....	10%	—	[illegible]
974p	662p	Tor. Dom. Bk. ‖	915pxd	+8	$2.16	—	[illegible]
15⅝	13	♥Trans Can Pipe.	14⅜	+⅛	$1.40	—	[illegible]

BANKS, H.P. & LEASING

1983 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
270	190	ANZ $A1	268	.....	Q28c	3.1	6.0	[illegible]
295	235	Alexanders D. £1	237xd	.....	20.0	—	12.1	—
£93	£66	Algemene Fl.100	£82¼xd	−1¼	vQ26%	1.8	6.9	[illegible]
157	89	Allied Irish	143	−10	Q49%	4.2	6.7	[illegible]
110	77	Ansbacher (H.) 50p	90	.....	3.5	—	5.6	—
275	170	Bk. Ireland £1	255	−5	hQ24.9	—	7.6	—
3½	1½	Bank Leumi	1¾	+¼	—	—	—	—
170	130	Bk. Leumi (UK) £1	150xd	.....	10.15	—	9.7	—

AMERICANS; BANKS—Continued; BEERS, WINES & SPIRITS; Hire Purchase, Leasing, etc.; BUILDING INDUSTRY, TIMBER AND ROADS; CHEMICALS, PLASTICS; CHEMICALS, PLASTICS—Cont.; DRAPERY AND STORES; ELECTRICALS; ELECTRICALS—Continued; ENGINEERING MACHINE TOOLS; FOOD, GROCERIES, ETC.; FOOD, GROCERIES—Cont.; HOTELS AND CATERERS; INDUSTRIALS (Miscel.)

INDUSTRIALS—Continued

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
132	124	I C Industries	127	+½	Q52 3c	—	5.8	—
73	59	Ingall Inds. 10p	64	...	3.03	1.4	6.8	15.0
495	344	Inchcape	485	...	12.75	2.2	3.8	14.5
73	27	Inter City 20p	64	+1	—	—	—	—
185	158	Jackson Int. 20p	185	...	4.0	1.8	3.1	25.7
208	165	Jackson Bourne	195xd	...	5.0	♦	3.7	♦
39½	19	James Inds. 10p	36	...	1.25	1.5	5.0	19.7
160	99	Jardine M HK$5	115	−2	Q80c	2.1	6.8	18.3
40	18	Jenks & Cattell	39	...	1.0	0.5	3.9	32.1
348	282	Johnson Clnrs.	320	−3	10.5	2.8	4.9	8.9
340	265	Johnson Mthy £1	285	+2	10.0	2.9	5.0	11.9
385	228	Johnston Grp 10p	378	−2	6.8	5.0	2.3	12.7
102	87	Jourdan (T.) 10p	92	−2	5.6	1.2	8.7	12.7
64	39	Kalamazoo 10p	60	−1	2.5	0.9	6.0	26.9
60	35	Kalon & Scott Hldgs.	51	...	1.0	—	2.1	—
73	9¼	Kemp Trust 5p	13	...	0.15	—	0.2	—
210	140	Kelsey Inds.	183	...	8.0	1.7	6.2	12.6
155	110	Kershaw (A.) 5p	140	...	15.0	0.6	‡	28.5
58	39	Kern E-Z Hldgs.	58	...	3.0	♦	7.4	♦
96	52	L.C.P. Hlds.	89	−1	3.6	1.2	5.8	20.0
32	14	L.DH Group	28	...	—	—	—	—
145	103	L.R.C. Int. 10p	126	+5	3.25	2.3	3.7	14.9
32	17	Lambert Hldgs. 10p	27	...	1.3	1.8	6.9	10.6
40	26	Lawtex	36	...	—	—	—	—
455	345	Lee Group 10p	455	...	17.5	0.3	5.5	63.1
36	22	Lifeshall 10p	31½	...	10.0	—	4.5	—
350	61	Lon. & Lvr. 10p	72	...	2.75	3.5	5.5	6.4
140	102	London & Mid'd	130xd	...	7.75	♦	8.5	♦
110½	38	Lon. & Nthn. Grp.	91	−1½	F4.2	♦	6.6	12.8
40	23	Lon. Pnv Health	27½	...	—	—	—	13.8
65	46	Longton Inds.	58	...	1.0	—	2.7	—
120	70	Low & Bonar 50p	100	...	5.0	0.6	7.1	30.0
45	32½	MCD Group	45	...	1.0	2.2	3.2	20.5
26	16	M.Y. Dart 10p	25	+½	0.1	—	0.6	—
212	135	M'c'rthy Ph. 20p	159xd	...	7.0	♦	6.3	♦
148	128	Macfarlane Gp.	148	...	3.52	2.1	3.4	18.1
46	34	Maclellan 20p	34	...	1.5	1.6	6.3	12.2

LEISURE

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

INSURANCES

PROPERTY—Continued

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

PROPERTY

INVESTMENT TRUSTS—Cont.

Finance, Land, etc.

OIL AND GAS

OIL AND GAS—Continued

OVERSEAS TRADERS

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

MINES—Continued

Central African

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
300	210	Falcon Rh. 50c	220	...	Q70c	4.2	24.9
23	16	Wankie Col. Z$1	23	...	Q5c	0.7	12.8
28	18	Zam. Cp. SBD 24	19	...	—	—	—

Australians

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
28½	13½	♥ACM 20c	17½	...	—	—	—
40	32	Allstate Explo NL	36	...	—	—	—
25	11	Balmoral Resources	17	−1	—	—	—
60	37	♥Black Hill Mins.	47	...	—	—	—
70	51	♥Bond Corp.	70	+2	Q010c	2.3	8.7
183	116	♥Bougainville 1 Kina	173	−5	m03 42c	1.2	1.2
360	204	♥CRA 50c	345	−5	t03c	—	0.5
145	60	♥Carr Boyd 20c	86	+1	—	—	—

Tins

Miscellaneous

NOTES

REGIONAL AND IRISH STOCKS

OPTIONS

3-month Call Rates

"Recent Issues" and "Rights" Page 21

Authorised Units—continued

Offshore and Overseas—continued

Insurances—continued

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

INSURANCES

INSURANCE & OVERSEAS MANAGED FUNDS

London A'deen & Nthn. Mtl. Assur. Ltd.
129 Kingsway, London, WC2B 6NF, 01-404 0393
'Asset Builder' 65 3 69 2

London Indemnity & Gnl. Ins. Co. Ltd
18-20, The Forbury, Reading 583511

Money Mngr Aug 18	60 4	65.7	...	—
MM Flexible July 29	52 3	55.1	...	—
Fixed Interest July 29	54 3	57.3	...	—

London Life Linked Assur. Ltd.
100, Temple St., Bristol, BS1 6EA. 0272-279179
See adjacent Page Mon-Fri and Stock Exchange Page Sat.

London & Manchester Gp.
Winslade Park, Exeter EX5 1DS. 0392 52155

Invest. Tst. Fd. Cap.	293.5	—	-0.2	—
Invest. Tst. Fd. Acc.	309 0	—	-0.2	12.0
Property Fund Cap	117.3	—	...	—
Property Fund Acc.	123.0	—	...	4.1
Flexible Fund Cap.	180.5	—	-0.8	—
Flexible Fund Acc.	189.5	—	-0.8	4 1
Fixed Int. Fd. Cap	134.6	—	...	—
Fixed Int. Fd. Acc.	141.5	—	...	—
Gtd. Deposit Fd. Cap.	138.6	—	...	—
Gtd. Deposit Fd. Acc.	144.6	—	...	—
Equity Fund Cap.	132.5	—	-0.9	—
Equity Fund Acc.	138.8	—	-0.9	—
International Fd. Cap.	135.6	—	-1.4	—
International Fd. Acc.	141.9	—	-1.5	—
Capital Gwth. Fd.	419.3	—	-4.6	—
Moneymaker Fund	164.3	—	-0.4	—
Exempt Inv Tst Cap	414.5	—	-0.4	—
Exempt Inv Tst Acc.	428.3	—	-0.3	—
Exempt Inv Tst NS	426 2	—	-0.3	8.0
Exempt Ppty Cap	169.6	—	...	—
Exempt Ppty Acc.	176.0	—	...	—
Exempt Ppty NS	194 9	—	...	3 6
Exempt Flex Cap	242.0	—	-1.4	—
Exempt Flex Acc.	250.0	—	-1.4	—
Exempt Flex NS	248.7	—	-1.4	4 1
Exempt Equity Cap	112.7	—	-1.2	—
Exempt Equity Acc.	116.2	—	-1.2	—
Exempt Fxd Int Cap	102.0	—	...	—
Exempt Fxd Int Acc	105.3	—	...	—
Exempt Gtd Dep Cap	103.3	—	+0.1	—
Exempt Gtd Dep Acc.	106 6	—	+0.1	—

Property Growth Assur. Co. Ltd.
Leon House, Croydon CR9 1LU 01-680 0606

Property Fund	286 7	...	—
Property Fund (A)	279.0	...	—
Agricultural Fund	1095 8	...	—
Agric. Fund (A)	1067 4	...	—
Abbey Nat. Fund	227 5	...	—
Abbey Nat. Fd. (A)	226.6	...	—
Investment Fund	137 9	...	—
Investment Fund (A)	136.1	...	—
Equity Fund	418.1	+1.9	—
Equity Fund (A)	410.5	+1.9	—
Money Fund	213 7	...	—
Money Fund (A)	209.8	...	—
Actuarial Fund	119 6	...	—
Gilt-edged Fund	184.7	+0.2	—
Gilt-Edged Fd. (A)	184.7	+0.2	—
Retire Annuity	990.1	...	—
Immed. Ann'ty	193 0	...	—
International Fd.	269 0	...	—
Bldg. Soc. Life Fd.	105 1	...	—

Property Gth Pens & Annuities Ltd

All Weather Ac. Uts.	247 9	260.9	...	—
Inv. Fd. Uts.		294 3	...	—
Pension Fd. Uts.		248.7	...	—
Conv. Pens. Fd.		284 9	...	—
Cnv. Pns. Cap. Ut.		214.7	...	—
Man. Pens. Fd.		330 5	...	—
Man. Pens. Cap. Ut.	258.2	-2 8	...	—
Prop. Pens. Fd.		277.0	...	—
Prop. Pens. Cap. Uts.		213.4	...	—
Bldg. Soc. Pen. Ut.		248.6	...	—
Bldg. Soc. Cap. Ut.		192.4	...	—
Gilts Pens. Fd.		161.1	...	—
Gilts Pens. Fd. Cap.		141.7	...	—
Equity Pens. Fd.		256 0	+1.9	—
Equity Pens. Fd. Cap.		225.9	+1.9	—

Providence Capital Life Assc. Co. Ltd.
30 Uxbridge Road, W12 8PG. 01-749 9111

Equity Acc.	107.9	113.9	...	—
Fixed Interest Acc.	90 1	95.1	...	—
Intnl Acc.	82 0	86.6	...	—
Managed Acc.	91.7	96.7	...	—
Property Acc.	111.0	117 1	...	—
Money Acc.	73.3	77.4	...	—
Special Market Acc.	68.0	71.8	...	—
Japan Acc.	62.1	65.6	...	—
North America Acc.	72.9	76.9	...	—
Pacific Acc.	47 9	50.6	...	—
Technology Acc.	66.8	70 5	...	—

OFFSHORE AND OVERSEAS

NOTES

Britain's wheat area increases

BY RICHARD MOONEY

BRITAIN'S WHEAT area, the oilseed rape area and the sheep flock have all reached new peaks this year, according to the Ministry of Agriculture's June census.

Total tillage (crops and fallow) also increased, as did the dairy herds. But there were falls in the barley area, in the beef herd, the breeding pig herd, the poultry flock and the farm labour force.

Mr Michael Jopling, the Minister of Agriculture, said the figures pointed to the continued progress being made by the country's agriculture industry. The National Farmers' Union said it was concerned at the deterioration of the intensive livestock and horticultural sectors.

The wheat area was up 1.7 per cent to 1.69m hectares while barley was down 3.2 per cent to 2.15m. The horticultural crop area was 220,000 hectares compared with 254,000 a year earlier but the Ministry said an "improvement in definition" prevented a direct comparison.

The oilseed rape crop was up 27 per cent to 222,000 hectares,

The total herd of cattle and calves was 13.33m, up 0.7 per cents, while the pig herd was 2.1 per cent up at 8.19m and the sheep flock 2.9 per cent up

● Sir Richard Butler, president of the NFU, wrote to Mr Jopling yesterday urging British negotiators to adopt "a very determined position" in talks on the reform of the Common Agricultural Policy

Morocco boycott continues

BY JOHN EDWARDS

INTERNATIONAL sugar traders boycotted — for the third time—the latest attempt by Morocco on Tuesday to buy on the world market.

It is understood no offers were received to supply 12,000 tonnes of raw sugar, for October delivery, to Casablanca sugar refiners, Compagnie Sucriere Marocanie.

The boycott by sugar traders of Morocco follows a dispute over a contract agreed in May 1980 for Philippines Sugar Trading (London) to supply 100,000 tonnes to the Moroccan National Office of Tea and Sugar.

When sugar prices subsequently fell sharply, the National Office refused to take delivery of three cargoes, totalling 33,000 tonnes, claiming force majeure since they were acting on instructions from the Moroccan Government .

However, this argument was rejected by the Council of the Sugar Association of London, acting as arbitrators, and appeals against the arbitration award were rejected in both the British High Court and the Moroccan Court of Appeal.

A move for a final appeal to the Moroccan Supreme Court is seen as merely a delaying tactic.

Sugar traders have refused to supply Morocco until a settlement is reached over payment of $10.6m, plus interest making a total of some $15m, owing to the sellers.

A note circulated to world sugar traders in London this week said that the buying tender by the Casablanca sugar refiners, which are government controlled, was a thinly disguised method of getting from the boycott on sales to the National Office.

It urged traders to continue the boycott and not undermine continuing negotiations to settle the dispute.

Three zinc producers raise prices

By Our Commodities Editor

THREE U.S. zinc producers—St Joe Minerals, Asarco and Gulf and Western—confirmed yesterday that they have raised their domestic selling prices for high grade by 3 cents to 46 cents a lb.

Zinc values on the London Metal Exchange rose to new nine-year peaks in early trading, but heavy profit-taking then emerged and prices closed slightly down on the previous day.

There was some disappointment that the U.S. producers seemed to have chosen the smaller predicted increase. Some traders were forecasting a move to 47 or even 50 cents.

Meanwhile, Asarco cut its domestic U.S. copper price by 1 cent to 75.5 cents a lb.

● U.S. SUGAR policy will remain unchanged. The White House food and agriculture committee will continue to protec domestic sugar producers with import quotas and import duties and fees.

● INDIA'S public distribution system sold 1.45m tonnes of foodgrains in the first six months of this year, compared with 1.18m tonnes in the same 1982 period.

● NEW ZEALAND is predicting 1982-83 wool production of 370,900 tonnes, up 2.2 per cent on the previous year.

● AUSTRALIA is forecasting a 16m-18m tonne wheat harvest in 1983-84, compared with the 8.88m tonnes produced in 1982-83.

● THE Soviet Union grain harvest is two-thirds completed but rain and frost could make progress with the remainder difficult.

● THE Bank of Brazil says soya exports have not been suspended but new guidelines for export pricing are being considered.

Farm economics fuel the arguments on strawburning

FARMER'S VIEWPOINT: By John Cherrington

THE HARVEST has brought the expected rash of complaints about strawburning, sparked off by a tragic road accident supposedly caused by smoke. There are reports of burning hedges, trees, standing crops, farm machinery and buildings.

On several days last week high winds and low humidity made strawburning, even when every safety precaution was taken, a highly risky undertaking. Sensible farmers should have waited.

Strawburning started with the introduction of the first combine harvesters more than 40 years ago. Previously, all cereal crops were cut with a binder and the sheaves carted to a rick yard where they were stacked. After threshing, the residual straw was used as cattle feed or bedding.

The combine harvester's arrival coincided with the outbreak of the last war and this stimulated greatly increased cereal production. Pre-war acreage has now doubled from 5m to 10m acres and total cereal output, which averaged 4.4m tonnes pre-war reached nearly 22m tonnes in 1982.

This increased output increases straw production because the crops are much thicker than they used to be.

Most farmers can remember rabbits bolting from the standing corn as the binder made its last turns round the centre of the field. Today's crops are generally too thick for rabbits to move in.

The combine itself has destroyed one outlet for wheat straw. Most farmers used to thatch their corn ricks and their hay ricks, but the combine harvester destroys straw's thatch value.

Some wheat straw can be used on farms where there are cattle but here we come to another difficulty. Most livestock is concentrated on the western sides of Britain but the greatest concentration of cereal growing is in the south and east.

Straw is a low value, high volume product and the freight costs of moving it to the livestock areas are such that there is only a viable trade when feed and bedding is very scarce in the west of England.

Most farmers prefer to buy barley straw and a gerat deal is sent already from the Midlands to the south of England livestock areas.

A practical advantage to strawburning is that it leaves the land clean of trash, kills many weed seeds and prevents carry-over of infections. Many farmers think these benefits are more valuable than the few pounds an acre earned from selling straw—in many arable areas wheat straw cannot even be given away.

Straw can, of course, be used as a fuel, turned into paper as it was during the last war or chemically treated to make it a satisfactory livestock feed.

There are plants making feed but their product cannot compete very well in price with cereal-based feeds. This could alter if grain prices ever reached a very high level permanently but they seldom seem to do so for long enough to justify investment in new plant.

I believe one of the causes of the present outcry is that modern arable systems make no real provision for rotational farming. When I started farming, I was bound not to grow two cereal crops in succession. Each had to be separated by a non-cereal crop.

Today, many farms grow nothing but cereals and after harvest such a countryside is one big stubble field. The possibility of a major conflagration is always there.

Farmers could incorporate their straw into the soil, by chopping it as it leaves the combine and ploughing it into the stubble. But many soils find it difficult to digest raw straw a year after ploughing it is almost intact.

If it is incorporated into manure cattle dung, for instance, it will rot and then be absorbed by the soil with beneficial results. But few cereals farmers have enough livestock to do this on any scale.

The alternative exists of applying nitrogen to help break down the straw but this technique is not yet fully understood and many think it to be unduly expensive. The chopping process itself would absorb a great deal of energy.

It boils down to a question of agricultural management. Burning is the most economic way for farmers to dispose of straw. If a more economic use emerged, farmers would surely embrace it. Until then, they should observe the NFU's code of practice on safety precautions and minimising public inconvenience.

NO PRACTICAL alternative to strawburning exists, says the National Farmers' Union.

Commenting on the call by conservationists for the practice to be banned, Mr Chris Righton, NFU deputy president, said it would be impractical to transport the unwanted material or plough it into the soil and there was little industrial demand for straw.

He urged district councils to make sure strawburning byelaws were enforced and to make use of the £1,000 maximum fine. State aid for straw utilisation projects would be welcomed, as would increased grants to help glasshouse users to convert boilers to accept straw.

Report shows improved prospects for slaughtering industry

BY RICHARD MOONEY

THINGS ARE looking up for Britain's troubled slaughtering industry. The Meat and Livestock Commission's annual report The Slaughtering Industry in Great Britain, says total throughput rose in 1982/83 while the rate of slaughterhouse closures slowed.

Slaughterings were up 6 per cent at 13.34m cattle units—defined as one cattle beast, three calves, five sheep or two pigs.

Another 27 plants closed after making this year's levy

The cattle sector made only a slight contribution to the increase in slaughterings. Sheep and pigs accounted for most of the rise.

THE ill-fated attempt of the National Farmers' Union to sell FMC, Britain's biggest meat company, to farmers through a share issue was a mistake, according to Mr George Cattell, FMC's chief executive.

The NFU Development Trust (NFUDT) bought the company in 1977 to prevent it being taken over by Thomas Borthwick, the international meat trading conglomerate.

But profits have been insufficient to finance payment of interest on the £3m it borrowed from Barclays Bank for the purchase, let alone repayment of the loan.

Barclays began to lose patience early this year and asked the NFUDT to find a way of repaying the debt.

The NFU's decision to launch a farmer-owned public company, Fameco, to achieve this was backed publicly by Mr Cattell, but he makes clear in an interview published in today's issue of Farming News that he never agreed with the plan.

Asked if he thought the NFU approach was right, he answers: "Not really. Of course I backed the Fameco approach as the only one which would carry NFU support, but I have never made any secret of my personal belief that the NFU should commit its own resources, augmented by levy perhaps, to the sponsoring and promotion of businesses which have as their principal purpose the better marketing of agricultural commodities."

Following the miserable failure of the Fameco offer, which attracted only £839,000 worth of applications against a minimum target of £7m, Mr Cattell launches a thinly-veiled attack on the NFU leadership.

"I hope that the democratic process will throw up a younger (NFU) council with more people of vision and intellectual ability," he says in the interview.

FMC's future is now uncertain. Plans for a management takeover by five senior company executives is reported to be running up against funding difficulties and the most likely bidder is seen as a Milk Marketing Board-led consortium, possibly with Barclays Bank participation.

But milk producers appear to be showing as little enthusiasm for this plan as farmers in general did for the Fameco offer.

The failure of FMC would be bad news for Britain's dairy farmers as it could affect the market for their cull cows. But Mr Cattell is insistent that the survival of the company is not in doubt.

He says it has adequate capital and reserves and a healthy trading position, though in the longer term it will need to reduce its dependence on borrowing

PRICE CHANGES

In tonnes unless stated otherwise	Aug. 25 1983	+ or —	Month ago
Metals			
Aluminium	£1050		£950
Free Mkt	$1600/1630		$1545/575
Copper			
Cash h grade	£1072.75	+3.75	£1124
3 mths	£1099.75	+3.5	£1146.75
Cash Cathode	£1041.25	+4.75	£1088
3 months	£1068.25	+5	£1113.5
Gold troy oz	$423.625	-0.25	$425.375
Lead Cash	£263.75		£261.75
3 months	£273.875	+0.125	£271.75
Nickel	£4625.93		£4720.78
Free mkt	220/250c		218/258c
Palladium	$152.50		$153.50
Platinum	£293.70	+1.5	£291.85
Quicksilver†	$275/285		$280/290
Silver troy oz	827.20p	+3.75	808.15p
3 mths	846.20p	+3.75	826.70p
Tin cash	£8450.5	+17	£8560.5
3 month	£8565	+28	£8622.5
Tungsten	$84.32		$83.07
Wolfsm 22.04 lb	$73/77		$78/80
Zinc Cash	£560.5	-1.5	£513
3 mths	£577.25	-1.5	£527.25
Producers	$860		$820

	Aug. 25 1983	+ or —	Month ago
Oils			
Coconut (Phil)	$1015y		$970
Groundnut	£1050y		‡
Linseed Crude	‡		£360
Palm Malayan	$655v	+35	$460
Seeds			
Copra Phil	‡		$610
Soyabean (U.S.)	‡	+15.25	$283
Grains			
Barley Fut. Nov	£119.25	+1.45	£115.40
Maize	£145.50w		£141
Wheat Fut. Nov	£125.85	+0.75	£129.05
No2 Hard Wint	‡		
Other commodities			
Cocoa ship't*	£1563	+31	£1710
Fut. Dec	£1507	+50.5	£1668
Coffee Ft. Nov	£1710.5	+10	£1654
Cotton A. Index	81.40c	-0.3	89.50c
Gas Oil Sept	$259.25	-2	$252.625
Rubber (kilo)	78p	-0.5	81p
Sugar (Raw)	$168zv	+4.5	£176
Wooltops 64s	392p kilo		395p kilo

‡ Unquoted. z Aug-Sept. u Nov. y Sept-Oct. x Oct-Nov. w Sept. v Oct. † Per 76lb flask. * Ghana cocoa. n Nominal.

LONDON OIL SPOT PRICES

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)		
Arabian Light	28.65-28.90	+0.10
Iranian Light	28.10-28.30	+0.05
Arabian Heavy	26.65	—
North Sea (Forties)	30.65-30.85	+0.05
North Sea (Brent)	30.90	+0.05
African Bonny L'ht	30.90-31.10	-0.07
PRODUCTS—North West Europe CIF ($ per tonne)		
Premium gasoline	312-314	—
Gas oil	256-261	—
Heavy fuel oil	172-175	—

GAS OIL FUTURES

London opened relatively strong after a weak U.S. close and moved higher on steady physicals. Towards the end of the morning, prices eased back and a weak New York opening drove prices further down to close on the lows, reports Premier Man.

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per tonne		
Aug	256.00	-2.50	257.50-56.50
Sept	259.25	-2.00	260.50-59.00
Oct	261.75	-3.25	264.00-61.75
Nov	265.00	-3.25	267.00-65.00
Dec	266.75	-3.25	269.00-66.75
Jan	267.00	-3.25	269.00-67.50
Feb	264.25	-2.75	266.00
Mar	261.00	-3.75	258.00-57.50
April	263.50	+0.50	—

Turnover: 2,865 (1,888) lots of 100 tonnes.

GOLD MARKETS

Gold fell $¼ from Wednesday's close in the London bullion market yesterday to finish at $423¾-$424 an ounce. The metal opened at $422-$422½ and traded between a high of $423¾-$424¼ and a low of $421¾-$422¼.

In Frankfurt the 12½-kilo bar was fixed at DM 36,005 per kilo ($424 per ounce) and closed at $423-$423½ against $424-$424½ on Wednesday.

In Paris the 12½ kilo bar was fixed at FFr 108,000 per kilo ($422.93 per ounce) in the afternoon compared with FFr 108,000 ($422.37) in the morning and FFrs 108,000 ($422.21) on Wednesday afternoon.

In Zurich gold finished at $422-$425 from $423-$426.

In Luxembourg gold was fixed at $422.25 per ounce against $424.10.

LONDON FUTURES

Month	Yest'day's close	+ or —	Business Done
	$ per troy ounce		
Sept	425.00-25.5	-1.500	422.40
Oct	427.80-28.5	-0.800	428.30-28.2
Nov	431.50-32.0	-0.750	—
Dec	435.20-35.5	-1.050	435.80-35.4
Jan	438.50-39.5	-0.450	—
Feb	443.00-43.5	-0.800	445.80-42.0
Mar	446.50-47.5	-1.000	—

Turnover: 541 (426) lots of 100 troy ounces.

	Aug 25		Aug 24	
Gold Bullion (fine ounce)				
Close	$423¾-424	(£280½-281)	$423¾-424¼	(£278¾-279¼)
Opening	$422-422¾	(£278-278¾)	$423¾-424¼	(£278¾-278¾)
Morning fixing	$422.50	(£278.841)	$425.75	(£279.289)
Afternoon fixing	$423.25	(£280.298)	$424	(£278.124)

Gold Coins Aug 25					
Krugrnd	$436½-437¼	(£289½-290)	Kin Sov	$101¼-102¾	(£67-68)
½ Krg	$221¼-222¾	(£147 147¾)	Victoria Sov	$101¼-102¾	(£67-68)
¼ Krg	$114½-115½	(£76-76½)	French 20s	$84¾-86¾	(£56¼-57½)
1/10 Krug	$46½-47½	(£30¾-31½)	50 pesos Mex	$516-520	(£343½-344¾)
Mapleleaf	$436½-437½	(£289½-290)	100 Cor. Aust	$413-417	(£273¾-276¼)
New Sov	$99¾-100¼	(£66¼-66½)	$20 Eagles	$600-610	(£397¼-404½)
½ New Sov	$59½-61½	(£39½-40¾)			

EUROPEAN MARKETS

ROTTERDAM, August 25.

Wheat — (U.S. $ per tonne). U.S. No. 2 Red Winter: Sept 169, Oct 174, Nov 176.50, Dec 179. U.S. Northern Spring. 14 per cent protein: Sept 188.50, Oct 189, Nov 190.50, Dec 193.50, April/May 200. U.S. No. 3 Amber Durum: Sept 212, Oct 214, Nov 217, Nov 20/Dec 20 219, April/May 224.

Maize — (U.S. $ per tonne). U.S. No. 3 Yellow: Aug 173, Sept 166.75, Oct/Dec 166, Jan/March 169.50 sellers: after Sept 168.75 traded. Argentine: Afloat 178, Sept 177 sellers.

PARIS, August 25.

Cocoa—(FFr per 100 kg): Sept 1766 bid, Dec 1840/1843, Mar 1862/1874, May 1880 bid, July 1895 bid, Sept 1920 bid, Dec 1930 bid.

Sugar—(FFr per tonne): Oct 2312/2315, Dec 2455/2465, Mar 2640/2650, May 2710/2714, Aug 2775/2788, Oct 2830/2845.

BRITISH COMMODITY MARKETS

BASE METALS

The decline in sterling against the dollar sustained base-metal prices on the London Metal Exchange. Copper traded in a £5 range and closed at £1,096.5, while recently strong Zinc touched £587 before profit-taking pared the price to £577.5 despite St. Joe raising their U.S. producer price to 46.5 cents a pound. Lead ended the day at £273.75 while Tin was finally quoted at £8,572.5—the latter boosted by hedge buying against physical sales.

COPPER

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	1073.5-4	+5.5	1072.5-3	+3.75
3 months	1100.5-1	+5.5	1099.5110	+3.5
Settlem't	1074	+5.5	—	.....
Cathodes				
Cash	1043-.5	+5.5	1041-.5	+4.75
3 months	1070-.5	+4.75	1068-.5	+5
Settlem't	1043.5	+5.5	—	.....
U.S. prod.	—		*77-81	.....

Amalgamated Metal Trading reported that in the morning cash Higher Grade

Amalgamated Metal Trading reported that in the morning cash Higher Grade traded at £1,073.5, three months £1,100, 1,099.50, 1,100, 1,100.50, 01. Cathodes: Cash £1,043, three months £1,070.50, 70. Kerb: Higher Grade: Three months £1,100, 1,099.50, 99. Afternoon: Higher Grade: Three months £1,101, 02, 01.50, 1,099, 99.50, 1,100. Cathodes: Three months £1,068. Kerb: Higher Grade: Three months £1,099, 98.50, 98, 97, 98, 97.50, 97. Turnover: 24,900 tonnes.

TIN

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	8440-50	+12.5	8450-1	+14.5
3 months	8558-60	+13.5	8560-70	+19.5
Settlem't	8450	+15	—	.....
Standard				
Cash	8435-45	+12.5	8450-1	+17
3 months	8558-60	+21.5	8560-70	+18
Settlem't	8445	+17	—	.....
Straits E.	$30.23	+0.02	—	.....
New York				

Tin — Morning: Standard: Three months £8,570, 65, 60, 61, 62, 61, 60, 58. Kerb: Standard: Three months £8,560, 57. Afternoon: Standard: Three months £8,565, 70, 75, 70. Kerb: Standard: Three months £8,570. Turnover: 1,870 tonnes.

LEAD

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	263-.5	-1.87	263.5-4	.....
3 months	273-.5	-.375	273.75-4	+.125
Settlem't	263.5	-.75	—	.....
U.S. Spot	—		*19-24	.....

Lead—Morning: Three months £275.50, 75, 74.50, 74, 73.50, 73. Kerb: Three months £273.50. Afternoon: Cash £264, three months £274.50, 74, 73.50, 74. Kerb: Three months £274, 73.50. Turnover: 4,150 tonnes.

ZINC

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	568.75-9	+7.12	560-1	-1.5
3 months	584.5-5	+7.5	577-.5	-1.5
Settlem't	569	+7	—	.....
Primw'ts	—		*43-.75	.....

Zinc—Morning: Cash £570, 70.50, 69, three months £586, 86.50, 84.50. Kerb: Three months £585, 86.50. Afternoon: Three months £586, 85.50, 85, 84.50, 84, 83.50, 84, 83, 82.50, 80, 79, 78, 77, 78, 77.50, 76, 77. Kerb: Three months £579, 80, 79, 78, 77, 76.50, 77. Turnover: 22,400 tonnes.

ALUMINIUM

Aluminium	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Spot	1064-.5	-2.5	1064-5	+2.5
3 months	1112-.5	-3	1113-4	+3.25

Aluminium—Morning: Cash £1,085, three months £1,118, 17.50, 17, 16, 15, 14, 13, 12.50, 12. Kerb: Three months £1,113, 14. Afternoon: Three months £1,118, 17.50, 17, 16.50, 16, 15, 14, 13.50. Kerb: Three months £1,114, 15, 14, 13.50, 14, 15. Turnover: 34,400 tonnes.

HIDES

HIDES—Manchester (Leeds. Second clears. Ox: 31-35.5 kg. 79.6p a kg withdrawn (79.6p withdrawn): 26-30.5 kg, 80.0p a kg withdrawn (80.4p withdrawn): 22-25.5 kg, 91.2p a kg (91.5p). Cows: 25.5 kg, 87.4p a kg (86.9p).

NICKEL

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —†
Spot	3290-3	+39	3263-8	+5.5
3 months	3376-7	+41	3360-5	+11.5

* Cents per pound. ‡ M$ per kilo. † On previous unofficial close.

Nickel — Morning: Three months £3,375, 80, 83, 85, 80, 82, 80. Kerb: Three months £3,380, 77. Afternoon: Three months £3,382, 80, 76, 75, 73, 72, 70, 67, 65, 55. Kerb: Three months £3,350, 52. Turnover: 34,400 tonnes.

SILVER

LME—Turnover 188 (79) lots of 10,000 ounces. Morning: Three months 850.0, 49.0, 50.0, 50.1, 50.5, 51.0. Kerb: untraded. Afternoon: three months 855.0, 54.0, 57.0, 56.5. Kerb: three months 856.0, 54.0, 53.0.

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	827.20p	+3.75	836p	+5
3 months	846.20p	+3.75	857p	+5.25
6 months	867.20p	+3.55	—	.....
12months	906.80p	+2.70	—	.....

Silver was fixed 3.75p an ounce higher for spot delivery in the London bullion market yesterday at 827.20p. U.S. equivalents of the fixing levels were: spot $12.507, down 1.8c; three-month $12.806, down 3.4c; six-month $13.135, down 2.8c; and 12-month $13.779, down 4.8c. The metal opened at 824-826p ($12.50-$12.53) and closed at 834-836p ($12.58-$12.62).

COCOA

The recent downward trend was halted when futures traded limit-up during the morning session; the evening call, however, was £10 off the highs of the day. Physicals were less active with producers still unwilling to re-enter the market and only light second-hand trading noted, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
	£per tonne		
Sept	1475-76	+29.0	1484-61
Dec	1506-08	+50.5	1517-80
March	1508-10	+33.5	1518-89
May	1519-20	+36.0	1524-95
July	1528-30	+36.5	1529-18
Sept	1536-37	+34.0	1537-25
Dec	1543-46	+22.5	1542-40

Sales: 5,538 (8,301) lots of 10 tonnes. ICCO—Indicator prices (U.S. cents per pound): Daily price for Aug 25: 99.93 (98.55): five-day average for Aug 26: 100.91 (101.36).

COFFEE

Despite another quiet session the recent range was extended to record new contract highs in many positions, reports Drexel Burnham Lambert.

COFFEE	Yest'day's Close	+ or —	Business Done
Sept	1725-27	+7.0	1731-17
Nov	1710-11	+10.0	1715-00
January	1689-90	+7.5	1692-83
March	1650-52	+10.5	1652-44
May	1618-20	+10.5	1261-17
July	1602-03	+7.5	1605-00
Sept	1584-85	+9.5	1590-80

Sales: 3,141 (2,653) lots of 5 tonnes. ICO indicator prices (U.S. cents per pound) for August 24. Comp. daily 1979: 127.29 (126.96); 15-day average 124.79 (124.52).

GRAINS

Wheat was erratic but steady on the back of barley to close just off the highs. Barley was very steady following country trade and lower crop expectations to close at contract highs, reports Muirpace.

Mnth.	WHEAT Yestrday's close	+ or —	BARLEY Yest'day's close	+ or —
Sep	123.90	+1.10	116.00	+1.50
Nov	125.85	+0.75	119.25	+1.45
Jan	128.85	+0.55	122.85	+1.45
Mar	131.80	+0.50	125.75	+1.35
May	134.75	+0.40	128.20	+1.35
July	136.20	+0.50	—	

Business done—Wheat: Sept 123.70-3.30, Nov 125.95-5.30, Jan 129.00-8.50, Mar 131.95-1.55, May 134.85-4.55, July 136.20-6.00. Sales: 341 lots of 100 tonnes. Barley: Sept 116.05-5.50, Nov 119.40-8.75, Jan 122.90-2.25, Mar 125.75-5.16, May 128.25-7.75. Sales: 470 lots of 100 tonnes.

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No 1 14 per cent Sept 133.75, Oct 134.80, Nov 136 25 transhipment east coast sellers. English feed fob Oct/Dec 128 sellers east coast; milling Oct/Dec 130 paid east coast. Maize: French first half Sept 143.50 transhipment east coast sellers. Barley: English feed fob Jan/Mar 127.50 east coast seller. Rest unquoted.

HGCA — Locational ex-farm spot prices. Feed barley: S. East 110.90, S. West 111.70, W. Midlands 109.00. The UK monetary coefficient for the week beginning Monday, August 29, is expected to remain unchanged.

POTATOES

Lower levels attracted fresh buyers with very keen interest developing near the close, reports Coley and Harper.

Month	Yestday's close	Previous close	Business Done
	£ per tonne		
Nov	169.00	155.00	169.00-58.5
Feb	200.00	192.00	209.00-95.0
April	249.00	234.00	250.00-37.5
May	255.90	242.50	256.00-47.0
Nov	81.50	81.50	—

Turnover: 1,161 (1,745) lots of 40 tonnes.

RUBBER

The physical market opened slightly easier, attracted little interest throughout the day closing very quiet. Lewis and Peat reported a September fob price for No 1 RSS in Kuala Lumpur of 266.5 (268.0) cents a kg and SMR 20 228.5 (230.0).

No. 1 R.S.S.	Yest'day's close	Previous close	Business Done
	£ per tonne		
Oct	775-800	784-790	—
Nov	775-800	—	—
Oct-Dec	780-783	783-785	—
JanMch	804-806	807-808	806-801
Apl-Jne	824-825	827-829	823-828
Jly-Sept	842-844	845-847	843-842
Oct-Dec	861-863	864-865	—
JanMch	878-883	882-884	—
Apl-Jne	895-902	900-903	—

Sales: 96 (82) lots of 15 tonnes, nil (nil) lots of 5 tonnes.

Physical closing prices (buyers) were: Spot 78.00p (78.50p); Oct 80.25p (80.50p); Nov 80.75p (81.00p).

SOYABEAN MEAL

The market opened limit-up bid following rumours of Brazilian exports being suspended, reports T. G. Roddick. Prices traded up to £10 higher than the previous close before easing.

	Yestday's close	+ or —	Business Done
	£ per tonne		
October	202.50-02.80	+6.05	207.00-00.00
Dec	207.50-07.70	+4.90	213.00-05.00
Feb	210.00-11.00	+4.75	215.00-08.00
April	209.00-10.50	+4.70	—
June	201.00-07.00	+1.50	—
August	204.00-10.00	+4.25	—
October	180.00-00.00	-5.00	200.00

Sales: 447 (308) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE—Raw sugar £168.00 (£163.50) a tonne for Aug-Sept-Oct shipment. White sugar £189.00 (£187.00).

The market advanced strongly during the morning in sympathy with constructive soyabean news from Brazil but the rally did not hold and by the close half the day's gains had been lost, reports C. Czarnikow.

No. 4 Contract	Yest'day's close	Previous close	Business done
	£ per tonne		
Oct	177.75	176.00-76.25	180.00-74.75
Dec	188.25-87.75	184.75-85.25	190.00-85.75
Mar	198.25	196.25	200.75-95.50
May	202.25-02.75	200.25-00.50	204.75-02.00

Sales: 5,334 (5,600) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis white sugar was £405.9 (same) a tonne for home trade and £278.00 (£273.50) for export.

International Sugar Agreement (U.S. cents per pound) fob and stowed Caribbean ports. Prices for Aug 24: Daily price 10.08 (10.23): 15-day average 10.59 (10.69).

WOOL FUTURES

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kg. Oct 582.5, 565.0, 584.0, 562.0; Dec 574.5, 576.0, 575.5-574.0; Mar 593.0, 594.0, 594.0; May 604.5, 607.0, untraded; July 618.0, 622.0, u/t; Oct 611.0, 616.0, u/t; Dec 618 5, 622.0, 619.0. Sales: 82.

LONDON NEW ZEALAND CROSS-BREDS—Close (in order: buyer, seller, business). New Zealand cents per kg. Aug unquoted, 431; Oct 412, 417, 422-417; Dec 416, 417, 421-416; Jan 417, 418, 422-417; Mar 427, 429, 431-427; May 434, 436, 439-434; Aug 447, 450, 450-48; Oct 451, 454, 456-453; Dec 456, 460, 461-458; Jan 457, 462, 460-459. Sales: 253.

COTTON

LIVERPOOL—Spot and shipment sales amounted to 51 tonnes. Not more than modest contracts were booked, mainly in Russian and Turkish varieties, and Middle Eastern growths were also wanted on a freer scale. Dealings in North and South American qualities were far from negligible, despite a small demand in certain quarters.

INDICES

FINANCIAL TIMES

Aug. 24	Aug. 23	M'th ago	Y'ar ago
291.58	290.88	282.14	232.39

(Base: July 1 1952=100)

REUTERS

Aug. 25	Aug. 24	M'th ago	Y'ar ago
1914.2	1904.2	1895.7	1528.1

(Base: September 18 1931=100)

MOODY'S

Aug. 24	Aug. 23	M'th ago	Y'ar ago
1090.9	1097.0	1076.4	1011.3

(December 31 1931=100)

DOW JONES

Dow Jones	Aug. 23	Aug. 25	Month ago	Year Ago
Spot	147.66	148.09	144.98	127.33
Fut'res	154.30	154.36	150.01	130.59

(Base: December 31 1974=100)

MEAT/FISH

MEAT COMMISSION—Average fatstock prices at representative markets. GB—Cattle 94.20p per kg lw (−0.26). GB—Sheep 117.63p per kg est dcw (+11.42). GB—Pigs 66.94p per kg lw (−2.98).

SMITHFIELD—Pence per pound. Beef: Scotch killed sides 76.0 to 82.0. Lamb: English small 52.0 to 58.0, medium 50.0 to 56.0, heavy 48.0 to 52.0: Imported New Zealand PL 57.8 to 58.5, PX 53.0 to 53.8. Pork: English under 100lb 38.0 to 50.0, 100-120lb 46.0 to 49.0, 120-160lb 41.0 to 47.0.

GRIMSBY FISH—Supply good, demand good. Prices at ship's side (unprocessed) per stone: shell cod £3.00-£5.50, codlings £2.00-£3.50; large haddock £3.00-£4.00, medium £3.00-£3.40, small £1.60-£2.40; large plaice £4.00-£5.50, medium £4.00-£5.30, best small £4.50-£5.30; skinned dogfish (large) £7.00, (medium) £3.00-£3.50; lemon sole (large) £9.00, (small) £6.00; rockfish £3.40-£3.70; saithe £2.00.

COVENT GARDEN—Prices for the bulk of produce, in sterling per package except where otherwise stated: Imported Produce: Tambors—Outspan 6.00-6.50. Tangerines—Brazilian: Honey, tray 4.70-5.20; Australian: Ellendales, carton 10.00-11.00. Oranges—Outspan: Valencia Lates 40 5.60, 48 6.40, 56 7.20, 72 6.95, 88 6.60, 112, 5.80, 138 5.45, 150 4.70; Brazilian: Peras 3.80-4.00, Navels 5.20-5.50. Lemons—Outspan: cartons 14.00-15.00; Uruguayan: carton 15.50-16.00; Spanish: 5 kg 5.00-5.50; Italian: carton 11.00-12.00. Grapefruit—Outspan: 27 5.70, 32 5.70, 36 5.90, 40 5.80, 48 7.40, 56 7.40, 64 7.40, 72 5.00; Honduras: box 6.70-7.40. Apples—French: Golden Delicious (new crop) carton 8.50-8.60; Spanish: Golden Delicious (new crop) 8.20-8.40, Granny Smith 12.00-12.50. Pears—French: per pound Guyot 0.10-0.11, Williams 0.14-0.18; Spanish: Williams 0.16-0.18; Italian: Williams 0.16-0.22. Grapes—Cypriot: 11 lb Sultana 4.00; Italian: per pound Regina 0.28-0.30, Alphonse 0.38-0.40, Italia 0.35; Spanish: Italia 0.35, Alphonse 0.28-0.30; Greek: Sultana 0.27-0.28; French: Alphonse 0.40. Peaches—Italian: large tray 2.40-3.00; French: 1.60-2.80. Nectarines—Italian: large trays 3.50-4.80. Plums—Italian: per pound giants 0.20-0.22, Stanley 0.16-0.17, Blue 0.20-0.25. Gages—Spanish: tray 2.00-2.40; French: large trays 4.00-4.50. Watermelons—Spanish: 15 kg 3.00-3.20; Italian: Sugar baby 3.60-4.00. Melons—Spanish: Yellow 10 kg 3.20-3.50; French: large trays charentais 5.50-6.00, Galia large trays 4.00-4.50. Bananas—Colombian: 40-lb boxes 10.60-11.00. Avocados—South African: 5.80-6.00; Kenyan: 4.20-4.50. Pawpaws—Brazilian: 7.00-7.50. Mangoes—Mexican: box 8.00-9.00. Fennel—Dutch: 5 kg 5.20-5.50. Kiwifruit—New Zealand: 6.20-6.50. Tomatoes—Dutch: tray 1.50-2.00, beefsteak 3.00-3.20.

English Produce: Apples—per pound, Bramley new season 0.13-0.16, Howgate 0.09-0.10, Discovery 0.16-0.28, Miller 0.14-0.16, Tydeman's Worcester 0.20-0.24. Strawberries—8 oz 0.50-0.70 according to condition. Raspberries—4-oz punnets 0.50-0.60 according to quality. Blackberries—8 oz 0.20-0.22. Plums—per pound Belles 0.15-0.16, Damsons 0.20-0.25, Victorias 0.25-0.28, Pershore 0.10. New Potatoes—4.00-6.00. Mushrooms—per pound, open 0.60-0.70, closed 0.80-1.00. Lettuces—per tray round 0.80-1.00, Cos 1.50-1.60, Webb's 1.80-2.00, Iceberg, per dozen 7.00-8.00. Onions—per 56 lb 3.50-4.00. Cabbages—per 25 lb Primo 3.00-3.50. Greens—28 lb, Kent 2.20-2.50. Carrots—per pound 26/28 lb new 2.00-2.50. Cauliflowers—12s Lincoln 2.50-3.50. Cucumbers—1.50-1.80. Tomatoes—Hot-house, 12 lb 1.20-1.40. Celery—4.00-5.00. Beetroots—28 lb 3.80-4.00. Turnips—28 lb 3.50. Stick beans—per pound 0.25-0.35. Swedes—28 lb 3.50. Peas—per pound 0.15-0.20. Sugar Peas—per pound 1.60-1.80. Capsicums—Green, per pound 0.25-0.30. Corn cobs—Each 0.08-0.14. Parsnips—28 lb 3.00. Leeks—per pound 0.30-0.35.

AMERICAN MARKETS

NEW YORK, August 25.

Massive liquidation in precious metals caused by weakness in financial instruments produced major losses through stop-loss selling. Copper prices established new lows on this move as heavy arbitrage and chart selling put the market sharply lower on the opening with further erosion of values following. Sugar prices attempted to rally early but could not hold their gains in the face of massive liquidation in financial markets and precious metals. Heating oil was erratic but, unable to perform in either direction; the market is still apprehensive about short production run should the Gulf refineries again be closed down by the new tropical storm. Coffee came under pressure from profit-taking following the recent run up in price. Cocoa rallied on bargain hunting related to an oversold condition with commission houses doing most of the buying. The grain and soyabean markets were very nervous after opening with limit gains. Soya oil continued to be the strongest commodity on the Board of Trade finishing the day with sharp gains. Soyabeans realised moderate gains, while maize was moderately lower on heavy cash sales out of the reserve programme. Wheat managed to finish unchanged to fractionally lower, reported Heinold Commodities.

NEW YORK

COCOA 10 tonnes; $/tonnes

	Latest	High	Low	Prev
Sept	2090	2090	2041	2026
Dec	2129	2129	2075	2065
March	2143	2145	2040	2081
May	2145	2155	2130	2115
July	2157	2162	2157	2130

COFFEE "C" 37,000 lb, cents/lb

	Close	High	Low	Prev
Sept	132.95	134.45	132.40	133.60
Dec	130.03	131.55	129.70	130.73
March	127.83	129.00	127.55	128.49
May	125.50	127.00	125.50	126.40
July	123.83	124.00	124.00	124.00
Sept	121.63	122.25	122.00	122.19
Dec	120.25	121.00	121.00	120.50

COPPER 25,000 lb; cents/lb

	Close	High	Low	Prev
August	72.15	—	—	73.55
Sept	72.25	73.60	72.00	73.60
Oct	73.00	—	—	74.40
Dec	74.50	76.00	74.25	75.90
Jan	75.25	76.65	76.50	78.20
May	78.25	79.56	78.00	79.65
July	79.75	80.20	79.55	81.05
Sept	81.25	82.40	80.95	82.45
Dec	83.40	84.50	83.25	84.56

COTTON 50,000 lb; cents/lb

	Latest	High	Low	Prev
Oct	79.65	81.57	79.51	79.70
Dec	80.65	82.50	80.68	81.02
March	81.90	83.00	81.40	81.87
May	82.30	83.30	82.30	82.21
July	82.75	83.00	82.75	82.25
Oct	77.30	77.40	77.30	77.25

GOLD 100 troy oz, $/troy oz

	Close	High	Low	Prev
August	417.5	424.8	417.8	422.0
Sept	418.4	424.5	416.5	423.0
Oct	421.4	428.5	419.0	428.1
Dec	428.7	435.9	427.0	433.4
Feb	436.3	443.0	434.5	441.0
April	444.2	452.3	442.0	448.9
June	452.3	459.5	449.0	457.0
August	460.7	468.0	457.5	465.4
Oct	469.1	—	—	473.8
Dec	477.6	482.2	474.0	482.3
Feb	488.2	488.0	488.0	490.9
April	495.0	502.0	502.0	499.7
June	503.9	508.5	508.5	508.6

HEATING OIL 42,000 U.S. gallons: cents/U.S. gallons

	Latest	High	Low	Prev
Sept	85.00	86.00	84.45	84.79
Oct	86.10	86.25	85.25	85.63
Nov	86.90	86.90	86.00	86.31
Dec	87.70	87.70	86.80	87.24
Jan	87.75	87.80	87.20	87.60
Feb	86.60	87.00	86.50	87.00
March	84.60	—	—	85.00
April	84.00	—	—	84.00
May	83.00	83.00	83.00	83.00

PLATINUM 50 troy oz, $/troy oz

	Close	High	Low	Prev
August	432.5	442.0	442.0	440.7
Sept	433.5	—	—	441.7
Oct	437.0	448.0	436.0	445.2
Jan	444.5	454.8	443.0	452.7
April	452.0	462.6	459.0	400.2
July	460.5	470.0	460.0	468.5

SILVER 5,000 troy oz, cents/troy oz

	Close	High	Low	Prev
August	1210.8	1268.0	1260.0	1254.5
Sept	1212.0	1271.0	1206.0	1256.0
Oct	1222.0	—	—	1267.3
Dec	1245.0	1305.0	1240.0	1290.0
Jan	1256.2	1309.0	1303.0	1301.5
March	1278.5	1338.0	1274.5	1324.5
May	1301.0	1356.0	1297.5	1347.5
July	1323.5	1350.0	1328.0	1370.5
Sept	1346.0	1408.0	1353.0	1393.5
Dec	1379.7	1451.0	1390.0	1428.0

SPOT PRICES—Chicago loose lard 27.00 (26.00) cents per pound. New York tin 587.0-595.0 (590.0-600.0) cents per pound.

SUGAR WORLD "11" 112,000 lb; cents/lb

	Close	High	Low	Prev
Sept	10.08	10.35	10.05	10.10
Oct	10.66	11.01	10.64	10.70
Jan	11.60	11.75	11.75	11.70
March	12.12	12.46	12.10	12.20
May	12.46	12.73	12.40	12.52
July	12.69	12.98	12.64	12.76
Sept	12.91	12.97	12.97	12.97
Oct	13.09	13.39	13.09	13.10
Jan	13.09	—	—	13.10

CHICAGO

LIVE CATTLE 40,000 lb, cents/lb

	Close	High	Low	Prev
Oct	57.77	57.90	57.22	57.60
Dec	58.12	58.37	57.50	57.97
Feb	60.65	60.75	59.95	60.20
April	62.85	63.05	62.20	62.42
June	64.70	64.97	64.27	64.30
August	63.50	64.50	63.50	63.52

LIVE HOGS 30,000 lb, cents/lb

	Close	High	Low	Prev
Oct	43.40	44.65	42.87	44.35
Dec	44.10	45.20	43.55	44.80
Feb	48.25	49.10	47.90	48.52
April	48.92	49.55	48.40	48.77
June	54.37	55.00	54.10	54.30
July	54.42	55.65	54.42	54.50
August	53.90	54.80	53.90	53.86
Oct	53.62	53.85	53.10	52.85
Dec	53.50	53.50	53.50	53.35

MAIZE 5,000 bu min, cents/56lb-bushel

	Close	High	Low	Prev
Sept	356.0	369.4	355.0	360.6
Dec	362.0	376.4	361.0	366.4
March	372.0	386.2	372.0	376.2
May	378.0	390.0	377.0	381.2
July	378.0	388.0	375.0	379.2
Sept	350.0	358.4	345.0	349.4
Dec	320.4	325.6	320.0	319.2

PORK BELLIES 38,000 lb; cents/lb

	Close	High	Low	Prev
Feb	66.42	66.87	67.47	65.00
March	66.17	66.75	64.55	64.85
May	67.70	67.80	66.20	66.10
July	67.60	68.00	66.50	66.00
August	64.32	65.45	64.30	63.75

SOYABEANS 5,000 bu min, cents/60lb-bushel

	Close	High	Low	Prev
Sept	933.0	949.4	919.0	919.4
Nov	945.0	967.0	930.0	937.0
Jan	954.0	977.4	940.0	947.4
March	962.0	987.4	949.0	957.4
May	957.0	984.0	949.0	954.0
July	948.0	971.0	938.0	941.0
August	915.0	942.0	908.0	912.0
Sept	815.0	845.0	815.0	815.0
Nov	756.0	772.0	737.0	747.0

SOYABEAN MEAL 100 tons, $/ton

	Close	High	Low	Prev
Sept	258.5	264.0	256.0	254.0
Oct	256.5	263.8	255.0	253.8
Dec	257.0	266.2	255.0	254.2
Jan	257.0	266.2	255.0	258.2
March	256.5	266.0	254.5	256.0
May	255.0	264.5	252.0	254.5
July	256.0	264.0	252.0	254.0
August	242.0	250.0	240.0	240.0
Sept	239.5	241.0	239.5	237.5

SOYABEAN OIL 60,000 lb; cents/lb

	Close	High	Low	Prev
Sept	34.20	34.20	33.40	32.70
Oct	33.95	34.30	33.25	32.80
Dec	33.90	34.42	33.10	32.92
Jan	33.80	34.30	33.20	32.80
March	33.50	34.25	33.20	32.75
May	33.00	33.88	32.80	32.38
July	32.40	33.45	32.20	32.00
August	30.25	30.25	30.25	30.22
Sept	28.30	28.98	28.10	28.10
Oct	26.00	26.50	26.00	26.00

WHEAT 5,000 bu min; cents/60 lb-bushel

	Close	High	Low	Prev
Sept	387.4	398.4	387.0	387.6
Dec	408.0	419.0	407.4	411.6
March	423.0	433.0	422.4	423.2
May	427.0	436.0	426.4	428.0
July	415.0	427.0	414.4	417.0
Sept	422.4	432.0	421.4	424.0

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar nervous and volatile

The dollar traded very nervously ahead of today's U.S. M1 money supply announcement. It opened little changed in Europe, but then lost ground to close very weak, only to gain ground in New York when London had closed following intervention by the Federal Reserve to drain funds from the U.S. money market by reverse repurchase agreements. Market sources suggested that in present conditions the market tends to overreact to any news, and that following the announcement by the Fed the dollar suddenly advanced in New York to DM 2.65 from DM 2.63.

Sterling was weak following the disappointing UK trade figures, with Switzerland mentioned as major sellers of the pound.

DOLLAR — Trade-weighted index (Bank of England) 127.6 against 119.7 six months ago. The latest figures on money supply have given rise to cautious optimism, and a halt to the dollar's advance. It had previously climbed to new records on fears of higher interest rates as a result of the U.S. Budget deficit and money supply growth.

The dollar fell to DM 2.6355 from DM 2.64 against the D-mark; to FFr 7.9410 from FFr 7.95 against the French franc; to SwFr 2.1425 from SwFr 2.15 in terms of the Swiss franc; and to Y243 from Y243.15 against the Japanese yen.

STERLING—Trading range against the dollar in 1983 is 1.6245 to 1.4540. July average 1.5278. Trade-weighted index 84.7 against 84.9 at noon, 85.3 at the opening, 85.6 at the previous close, and 80.4 six months ago. The pound has been fairly steady and firm of late, despite the volatility of the dollar. The absence of the Bank of England in international central bank intervention intended to stop the dollar's rise caused only a temporary softening of sterling, which has generally held up well against the U.S. currency and the Continentals.

Sterling opened at $1.5170-1.5180, and traded within a range of $1.5050 to $1.5180, before closing at $1.5075-1.5085, a fall of 1.10 cents on the day. The pound also fell to DM 3.9750 from DM 4.01; to FFr 11.9750 from FFr 12.0775; to SwFr 3.23 from SwFr 3.2675; and to Y366.50 from Y370.25.

D-MARK — Trading range against the dollar in 1983 is 2.7315 to 2.3320. July average 2.5895. Trade-weighted index 126.3 against 128.6 six months ago. Until the recent slowdown in U.S. M1 money supply growth the dollar was at its highest level for nearly 10 years against the D-mark, reflecting the large differential between U.S. and German interest rates. The improved M1 figure has played a greater part in restraining the dollar than the earlier intervention by the Bundesbank and other central banks.

The Bundesbank did not intervene when the dollar was fixed at DM 2.6370, compared with DM 2.6428, and was probably not active on the open market yesterday. The U.S. currency opened at DM 2.6400, but was sold ahead of the Bundesbank council meeting on nervousness following speculation about a possible rise in key lending rates. Attention will now turn back to today's U.S. M1 announcement, while publication of a lower German trade surplus in July and DM 3bn current account deficit produced little reaction.

ITALIAN LIRA — Trading range against the dollar in 1983 is 1,618.75 to 1,343. July average 1,531.9. Trade-weighted index 50.5 against 53.2 six months ago. The lira suffered along with other European currencies against the dollar, recently touching historic lows. However it remains stable within the EMS, helped by seasonal inflows of foreign currencies due to the holiday season.

The lira gained ground against the dollar at the Milan fixing, but weakened against the D-mark. The dollar fell to L1,574.35 from L1,577.30, while the German currency was fixed at L597.18, compared with L596.70.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU August 25	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	44.9008	45.6598	+1.69	+1.14	±1.5447
Danish Krone ...	8.14104	8.19165	+0.62	+0.07	±1.6425
German D-Mark	2.24184	2.27297	+1.39	+0.84	±1.0642
French Franc ...	6.87456	6.84951	−0.36	−0.91	±1.4052
Dutch Guilder ...	2.52595	2.54674	+0.82	+0.27	±1.4964
Irish Punt ...	0.72589	0.721573	−0.57	−1.12	±1.6699
Italian Lira ...	1403.49	1358.09	−3.23	−3.23	±4.1505

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

OTHER CURRENCIES

Aug. 25	£	$		£ Note Rates
Argentina Peso...	16.55-16.52	10.97-11.00	Austria...	27.90 28.20
Australia Dollar...	1.6965-1.6985	1.1250-1.1260	Belgium...	80.35-81.15
Brazil Cruzeiro...	987.01 992.21	654.00 657.00	Denmark...	14.30 14.44
Finland Markka...	8.5295-8.5560	5.6675-5.6725	France...	11.95-12.07
Greek Drachma...	137.65 138.10	90.50-90.80	Germany...	3.96¼-4.48¼
Hong Kong Dollar	11.15¼-11.17¼	7.405-7.415	Italy...	2350-2390
Iran Rial...	132.60*	87.10*	Japan...	357-373
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

* Selling rates.

CURRENCY MOVEMENTS

Aug. 25	Bank of England Index	Morgan Guaranty Change %
Sterling...	84.7	−35.9
U.S. dollar...	127.6	+15.2
Canadian dollar...	92.5	−18.6
Austrian schilling...	117.3	+29.1
Belgian franc...	91.5	−5.5
Danish kroner...	80.1	−13.4
Deutsche mark...	126.3	+55.2
[illegible]	[illegible]	[illegible]

Based on trade weighted changes from Washington agreement December 1971. Bank of England Index (base average 1975=100).

CURRENCY RATES

AUG. 25	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling...	—	0.698050	0.570857
U.S. $...	8½	1.05449	0.862279
Canadian $...	9.57	*	1.06060
Austria Sch...	3¾	19.5429	15.9780
Belgian F...	9	55.8659	45.6598
Danish Kr...	7½	N/A	8.19165
D mark...	4	2.78069	2.27297
Guilder...	4½	3.11496	2.54674
[illegible]	[illegible]	[illegible]	[illegible]

*CS/SDR rate for Aug 24: 1.29711.

THE POUND SPOT AND FORWARD

Belgian rate is for convertible francs. Financial franc 80.40-80.50. Six-month forward dollar 0.22-0.28c dis. 12-month 0.45-0.55c dis.

THE DOLLAR SPOT AND FORWARD

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 53.30-53.40.

EXCHANGE CROSS RATES

Aug. 25	Pound Sterling	U.S. Dollar	Deutschem'k	Japanese Yen	French Franc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Canadian Dollar	0.540	0.814	2.145	197.7	6.461	1.745	2.404	1281.	1.	43.05
Belgian Franc 100	1.263	1.890	4.981	459.3	15.01	4.046	5.585	2975.	2.325	100.

FINANCIAL FUTURES

Gilts steady

Gilts finished little changed on the London International Financial Futures Exchange, after a very quiet day in the cash market. The September contract finished unchanged at 102-16, after opening at 102-17, and trading in a range of 102-22 to 102-10. December delivery rose 7/32 to 104-14, but closed unchanged from the opening level, and only slightly below the day's peak of 104-18. The market concentrated on events in the U.S., where Treasury bonds showed early gains, rather than reacting to Thursday's announcement of disappointing UK July trade figures. Cash trading lacked direction, but prices of medium and long dated stock closed slightly firmer, despite the overall weakness of sterling.

Trading in the short sterling interest rate contract was also quiet, and continued to move towards December delivery, as September neared settlement. The December price closed only 1 basic point lower on the day at 89.96, and unchanged from the opening level.

December Eurodollars were also much more active than September, with the price closing at 89.65, compared with 89.58, after opening at 89.62. The finishing level was near the day's high of 89.66, in response to early gains in short dated interest rate instruments in Chicago.

Federal funds were around 9¼ per cent at the Liffe close, compared with Wednesday's New York finish of 9¾ per cent, but trading ended before news that the Federal Reserve had intervened to drain funds from the New York banking system by way of reserve repurchase agreements.

LONDON

THREE-MONTH EURODOLLAR
$1mm points of 100%

	Close	High	Low	Prev
Sept	90.05	90.07	90.00	90.00
Dec	89.65	89.66	89.57	89.58
March	89.37	89.37	89.30	89.28
June	89.11	—	—	89.08
Sept	88.85	—	—	88.90

Volume 2,010 (2,107).
Previous day's open int. 6,125 (6,377).

THREE-MONTH STERLING DEPOSIT
£250,000 points of 100%

	Close	High	Low	Prev
Sept	90.25	90.27	90.23	90.27
Dec	89.96	89.97	89.93	89.95
March	89.65	89.65	89.58	89.62
June	89.20	—	—	89.27
Sept	89.09	—	—	89.16

Volume 334 (521).
Previous day's open int. 4,250 (4,362).

20-YEAR 12% NOTIONAL GILT
£50,000 32nds of 100%

Sept	102-16	102-22	102-10	102-16
Dec	104-14	104-18	104-06	104-07
March	104-02	—	—	103-26
June	103-20	—	—	103-12
Sept	103-08	—	—	102-30

Volume 1,810 (2,970).
Previous day's open int. 4,869 (5,025).
Basis quote (clean cash price of 13¼% Treasury 1998 less equivalent price of near futures contract) par to 08 (32nd).

STERLING £25,000 $ per £

	Close	High	Low	Prev
Sept	1.5078	1.5165	1.5070	1.5230
Dec	1.5090	1.5172	1.5090	1.5240
March	1.5105	—	—	1.5260

Volume 630 (416).
Previous day's open int. 1,625 (1,667).

DEUTSCHE MARKS
DM 125,000 $ per DM

	Close	High	Low	Prev
Sept	0.3799	0.3799	0.3792	0.3801
Dec	0.3843	0.3843	0.3832	0.3845
March	0.3883	—	—	0.3885

Volume 87 (98).
Previous day's open int. 501 (505).

SWISS FRANCS
SwFr 125,000 $ per SwFr

	Close	High	Low	Prev
Sept	0.4669	0.4669	0.4669	0.4659
Dec	0.4733	—	—	0.4725
March	—	—	—	—

Volume 1 (3).
Previous day's open int. 252 (252).

JAPANESE YEN Y12.5m $ per Y100

	Close	High	Low	Prev
Sept	0.4120	0.4120	0.4120	0.4121
Dec	0.4156	—	—	0.4157
March	—	—	—	—

Volume 20 (14).
Previous day's open int. 283 (283).

CHICAGO

U.S. TREASURY BONDS (CBT)
8% $100,000 32nds of 100%

	Latest	High	Low	Prev
Sept	72-05	72-29	71-30	72-14
Dec	71-17	72-11	71-12	71-28
March	71-03	71-26	70-29	71-12
June	70-20	71-12	70-17	70-30
Sept	70-09	70-31	70-05	70-18
Dec	69-30	70-23	69-28	70-08
March	—	—	—	—
June	69-14	70-05	69-14	69-25
Sept	—	—	—	—
Dec	—	—	—	—
March	—	—	—	—

U.S. TREASURY BILLS (IMM)
$1m points of 100%

	Latest	High	Low	Prev
Sept	90.91	91.04	90.85	90.91
Dec	90.39	90.57	90.33	90.46
March	90.12	90.27	90.06	90.17
June	89.90	90.08	89.89	89.96
Sept	89.82	89.87	89.74	89.79
Dec	89.59	89.73	89.59	89.64
March	—	89.54	89.46	89.50
June	89.38	89.38	89.33	89.35

CERT. DEPOSIT (IMM)
$1m points of 100%

	Latest	High	Low	Prev
Sept	90.28	90.40	90.21	90.32
Dec	89.69	89.88	89.64	89.79
June	89.14	89.25	89.10	89.18

THREE-MONTH EURODOLLAR (IMM)
$1m points of 100%

	Latest	High	Low	Prev
Sept	89.73	89.85	89.66	89.78
Dec	89.25	89.41	89.17	89.33
March	88.96	89.09	88.88	88.99
June	88.74	88.85	88.70	88.78

STERLING (IMM) $s per £

	Latest	High	Low	Prev
Sept	1.5035	1.5120	1.4995	1.5180
Dec	1.5050	1.5135	1.0505	1.5195
March	1.5050	1.5150	1.5050	1.5210
Dec	1.5050	1.5136	1.5005	1.5195
Sept	—	—	—	—
Dec	—	—	—	—

GNMA (CBT)
8% $100,000 32nds of 100%

	Latest	High	Low	Prev
Sept	69-05	69-23	68-31	69-13
Dec	68-10	68-28	68-04	68-17
March	67-09	67-29	67-08	67-19
June	66-21	67-07	66-21	66-29
Sept	66-04	66-22	66-04	66-12
Dec	65-22	66-05	65-22	65-30
March	—	—	—	—
June	65-00	65-15	65-00	65-08
Sept	—	—	—	—
Dec	—	—	—	—
March	—	—	—	—
June	—	—	—	—

MONEY MARKETS

London rates steady

UK clearing bank base lending rate 9½ per cent (since June 14)

Interest rates were steady on the London money market yesterday, in quiet trading. The Bank of England forecast a shortage of around £300m, but this was later revised to £250m. Total help provided by the authorities came to £287m, mostly by purchases of bank bills during the morning.

Before lunch the authorities bought £34m bank bills in band 1 (up to 14 days maturity) at 9 7/16 per cent; £85m bank bills in band 2 (15-33 days) at 9⅜ per cent; £31m bank bills in band 3 (34-63 days) at 9 5/16 per cent; and £79m bank bills in band 4 (64-84 days) at 9¼ per cent. Another £16m Treasury bills in band 4 (64-91 days) were purchased at 9¼ per cent, and £1m local authority bills in band 4 at 9¼ per cent.

In the afternoon another £11m bank bills were bought in band 1 at 9 7/16 per cent; £2m bank bills in band 2 at 9⅜ per cent; and £18m bank bills in band 3 at 9 5/16 per cent.

Further late assistance of £10m was provided by the Bank of England.

In the interbank market overnight money traded within a range of 8 to 12 per cent. Seven-day funds rose slightly to 9⅝-9¾ per cent from 9½-9⅝ per cent, but three-month money was unchanged at 9⅝-9¾ per cent.

In Frankfurt the Bundesbank left its credit policies unchanged at the regular council meeting. No change was generally expected, because of the fragile nature of economic recovery, with Germany recording a smaller trade surplus last month, and a payments deficit of DM 3bn on current account. But increased money supply growth led to some nervousness that the authorities may be tempted to raise the Lombard rate by ½ per cent. Commercial banks were reported to have increased their Lombard borrowing to DM 10.9bn from DM 7.7bn on Wednesday ahead of the council meeting, while press comment about possible moves by the Bundesbank also unsettled the money market, where call money rose to 5.05 per cent from 5.025 per cent.

LONDON MONEY RATES

Aug. 25 1983	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight...	—	8-12	9½-9¾	—	—	9½-9¼	8¼-9¾	—	—	—
2 days notice...	—	—	9⅝-9⅞	—	—	—	—	—	—	—
7 days or...	—	—	—	—	—	9¾	—	—	—	—
7 days notice...	—	9⅝-9⅞	9½	—	—	10	9¼-9⅝	—	—	—
One month...	9 11/16-9⅝	9⅝-9¾	9½	10⅛-9¾	9 11/16	—	9¼	9⅜	9⅜-9 11/32	10⅛
Two months...	9¾-9⅝	9⅞-9¾	9½	10⅛ 9¾	9¾	—	9⅜	9 5/16-9 9/32	9 5/16	10 1/16
Three months...	9 13/16 9 11/16	9¾ 9⅞	9⅝	10¼-9⅞	9⅞	—	9½	9⅝-9 9/32	9⅜	10
Six months...	9 15/16 9 13/16	10-10 1/16	9⅝	10⅛ 9¾	10⅛	—	—	—	9 11/32	10⅛
Nine months...	10⅛ 10 1/16	10¼-10 1/16	9⅞	10⅝-10¼	10⅜	—	—	—	—	—
One year...	10¼ 10⅛	10 5/16 10 3/16	10⅝	10⅝-10¼	10½	—	—	—	—	—
Two years...	—	—	11⅛	—	—	—	—	—	—	—

ECGD Fixed Rate Export Scheme IV. Average Rate for interest period July 6 to August 2 1983 (inclusive) 9.989 per cent.

INTEREST RATES

EURO-CURRENCY INTEREST RATES
(Market closing rates)

Aug. 25	Short term	7 days notice	Month	Three Months	Six Months	One Year
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FT LONDON INTERBANK FIXING

MONEY RATES

COMPANY NOTICES

TENDERS FOR GREATER LONDON BILLS

1. The Greater London Council hereby give notice that Tenders will be received at the Securities Office, Bank of England, London EC2R 8AH, on Monday, 5th September, 1983, at 12 noon for Greater London Bills to be issued in conformity with the Greater London Council (General Powers) Act, 1967, to the amount of £25,000,000.
2. The Bills will be in amounts of £5,000, £10,000, £25,000, £50,000, £100,000 or £250,000. They will be dated Thursday, 8th September, 1983, and will be due 91 days after date, without days of grace.
3. Each Tender must be for an amount not less than £25,000, and must specify the net amount per cent. (being a multiple of one halfpenny) which will be given for the amount applied for.
4. Tenders must be made through a London Banker, Discount House or Broker.
5. The Bills will be issued and paid at the Bank of England.
6. Notification will be sent by post, on the same day as Tenders are received, to the persons whose Tenders are accepted in whole or in part and payment in full of the amounts due in respect of such accepted Tenders must be made to the Bank of England, by means of cash or by draft or cheque drawn on the Bank of England, not later than 1.30 p.m. on Thursday, 8th September, 1983.
7. Tenders must be made on the printed forms which may be obtained either from the Bank of England, or from the Council's Offices at The County Hall.
8. The Greater London Council reserve the right of rejecting any Tenders.

M. F. STONEFROST, Comptroller of Finance.
The County Hall, London SE1 7PB.
26th August, 1983.

30,000,000 EUROPEAN COMPOSITE UNITS EUROPEAN INVESTMENT BANK
8¼% Bonds of 1973, due September 27, 1988

NOTICE IS HEREBY GIVEN to Bondholders that in accordance with the terms and conditions of the above bonds, the European Investment Bank has selected the Deutsche Mark as the currency to be utilised in respect of the payment of interest due on September 27, 1983.

Any holder may, however, and following prescribed procedure, select, not less than 15 days prior to the above-mentioned date, another currency of payment from among the possible currencies.

EUROPEAN INVESTMENT BANK

BRITANNIA INTERNATIONAL FINANCE LIMITED
(formerly SLATER, WALKER INTERNATIONAL FINANCE LIMITED)
7¼% 1972/1987
LUXEMBOURG FRANCS 500,000,000

Holders of the above mentioned bonds are hereby informed that the annual redemption instalment due October 15, 1983 amounting to Luxembourg Francs 50,000,000, has been entirely repurchased in the market.

Consequently, a drawing by lot will not take place this year.

The amount of bonds outstanding after the redemption date will be Luxembourg Francs 200,000,000.

BANQUE INTERNATIONALE A LUXEMBOURG
Société Anonyme
Paying Agent
Luxembourg,
August 26, 1983.

HOME BREWERY PLC
CUMULATIVE PREFERENCE SHARES
NOTICE IS HEREBY GIVEN that the Transfer Books of the above Company will be closed from 20th September 1983 to 30th September 1983 (both days inclusive) in order that the dividend warrants may be prepared for the half-year ending 30th September 1983.
By Order of the Board,
B. DAVYS, Secretary.
The Brewery,
Daybrook,
Nottingham NG5 6BU.
25th August 1983.

TELEFONOS DE MEXICO, S.A.
U.S.$50,000,000
9½% 1977/1984 Bonds

Pursuant to the provisions of the Purchase Fund, notice is hereby given to Bondholders that during the twelve-month period from August 10, 1982 to August 9, 1983 a principal amount of US$854,000 of the above-mentioned Bonds has been purchased.
Amount outstanding: US$37,261,000.
Luxembourg,
August 26, 1983.
The Fiscal Agent
KREDIETBANK
S.A. Luxembourgeoise

NOTICE TO SHAREHOLDERS OF TRANSMARCOM N.V.

NOTICE IS HEREBY GIVEN that for the financial year ending on 31 December 1983 an interim dividend of BFr. 550 before taxes is payable from 16 August on delivery of coupon nr. 14 at the Kredietbank N.V.

THE BOARD OF DIRECTORS

NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS (EDRs) IN MAKITA ELECTRIC WORKS LIMITED

We are pleased to confirm that copies of the Annual Report for the year ended February 20, 1983 are now available to EDR holders, upon application, at the offices of the Depositary, Citibank, N.A., 336 Strand, London WC2R 1HB and the Agent, Citibank (Luxembourg) S.A., 16 Avenue Marie Therese, Luxembourg.
CITIBANK N.A.
London Depositary
August 26, 1983.

LEGAL NOTICE

IN THE MATTER OF HARZELL LIMITED
AND IN THE MATTER OF THE COMPANIES ACT 1948

NOTICE IS HEREBY GIVEN that the creditors of the above-named Company, which is being voluntarily wound up, are required, on or before the 21st day of October, 1983 to send in their full Christian and surnames, their addresses and descriptions, full particulars of their debts or claims, and the names and addresses of their Solicitors (if any), to the undersigned
SURJIT KUMAR SINGLA F.C.A.
of Singla & Co.,
Chartered Accountants,
of 423 Alexandra Avenue,
Harrow, Middlesex HA2 9SE
the Liquidator of the said Company, and, if so required by notice in writing from the said Liquidator, are, personally or by their Solicitors, to come in and prove their debts or claims at such time and place as shall be specified in such notice, or in default thereof they will be excluded from the benefit of any distribution made before such debts are proved.

DATED this 19th day of August, 1983.
S. K. SINGLA, F.C.A.
Liquidator

WORLD VALUE OF THE DOLLAR

Bank of America NT & SA, Economics Department, London

The table below gives the rates of exchange for the U.S. dollar against various currencies as of Wednesday August 24 1983. The exchange rates listed are middle rates between buying and selling rates as quoted between banks, unless otherwise indicated. All currencies are quoted in foreign currency units per one U.S. dollar except in certain specified areas. All rates quoted are indicative. They are not based on, and are not intended to be used as a basis for, particular transactions.

Bank of America NT and SA does not undertake to trade in all listed foreign currencies, and neither Bank of America NT and SA nor the Financial Times assume responsibility for errors.

COUNTRY	CURRENCY	VALUE OF DOLLAR
Afghanistan	Afghani (O)	50.60
Albania	Lek	6.6373
Algeria	Dinar	4.8662
Andorra	Fr. Franc	7.9545
	Sp. Peseta	149.90
Angola	Kwanza	30.214
Antigua	E. Caribbean $	2.70
Argentina	New Peso (f) (11)	10.36
Australia	Dollar	1.1294
Austria	Schilling	18.5625
Grenada	E. Caribbean $	2.70
Guadaloupe	Franc	7.9545
Guam	U.S. $	1.00
Guatemala	Quetzal	1.00
Guinea Bissau	Peso	41.7105
Guinea Rep	Syli	25.4008
Guyana	Dollar	3.0065
Haiti	Gourde	5.00
Honduras Rep	Lempira	2.00
Peru	Sol	1937.84
Philippines	Peso	11.0065
Pitcairn Is	N.Z. Dollar	1.5284
Poland	Zloty (O)(1)	96.49
Portugal	Escudo	122.25
Port Timor	Escudo	n.a.
Puerto Rico	U.S. $	1.00
Qatar	Riyal	3.6397
Reunion Ile de la	Fr. Franc	7.9545
[illegible]	[illegible]	[illegible]

CONTRACTS AND TENDERS

OIL & NATURAL GAS COMMISSION

(DEPARTMENT OF MATERIALS MANAGEMENT)

GRAM: 'COMSTORE' TEL BHAVAN:
TELEX NO. 0595-206, 207 & 255 DEHRA DUN.

Oil & Natural Gas Commission, Tel Bhavan, Dehra Dun invites sealed tenders for import of items specified below against each:

Sl. No.	Tender No.	Brief description of stores	Est. value in lacs	Tender fee in rupees	Closing dates 1400hrs.	Opening dates 1500hrs.
1.	MAT/IMP/E-II/ 2(749)/83	Digital Magnetic Tapes	Rs.45.00	Rs.500	27.8.83	27.8.83
2.	MAT/IMP/E-II/ 2(322)/82	Digital Magnetic Tapes	Rs.63.96	Rs1,000	30.8.83	30.8.83
3.	MAT/IMP/E-II/ 3(212)/83	Storage Oscilloscope & VHF Signal Generator	Rs.2.88	Rs.250	2.9.83	2.9.83
4.	MAT/IMP/E-II/ 3(718)/83	Tektronix Oscilloscope	Rs.5.92	Rs.250	5.9.83	5.9.83

Tenderers will be required to submit their applications for tender documents along with crossed Indian Postal Orders for the amount specified against each tenders as above, separately, not earlier than the date of publication of tender, drawn in favour of Oil & Natural Gas Commission, Tel Bhavan, Dehra Dun. Tender documents would be available at the following offices and will be issued between 1400 hours and 1500 hours on all working days from the date of publication of tender.

1. Dy. Director (S&P), C&P Sec.
   Oil & Natural Gas Commission
   (Dept. of Materials Management)
   Tel Bhavan, Dehra Dun.
2. Dy. Director (S&P)
   Oil & Natural Gas Commission
   "Kailash," Kasturba Gandhi, Marg. New Delhi.
3. Joint Director (S&P)
   Oil & Natural Gas Commission
   Geoscience Division, 50-Chowringhee Road, Calcutta.
4. Officer-in-Charge
   Oil & Natural Gas Commission
   T&S Office, Asia Publishing House
   Calicut Street, Ballard Estate, Bombay-400038.
5. Dy. Director (S&P)
   Oil & Natural Gas Commission
   Madras Forward Base, CSI Building
   226 Cathedral Road, Madras-600086.

No tender will be sold on or after closing date shown against each tenders mentioned above.

Sealed tender in triplicate subscribing Tender No., closing and opening date on the envelope, should be addressed to the General Manager (MM), Oil & Natural Gas Commission, Department of Materials Management, Tel Bhavan, Dehra Dun, so as to reach by the scheduled closing dates and time.

N.B.
1. Oil & Natural Gas Commission reserves the right to reject any/all bids without assigning any reasons whatsoever.
2. Bids or modification of bids received after the opening date will not be considered.
3. The Indian Agents authorised by their foreign principals/suppliers in India may purchase these tender documents on payment of cost through crossed Indian Postal Order/Bank Drafts in the name of Oil & Natural Gas Commission in Indian Currency for forwarding them to their foreign supplier abroad.
   Such foreign suppliers shall remit the cost of tender documents in U.S. Dollars equivalent to Indian Rupees through a Bank Draft drawn in favour of Oil & Natural Gas Commission along with their offer. Tenders received from foreign suppliers without compliance and above instructions will be rejected.
   The cost of tenders paid to the Commission by authorised agents for obtaining tender documents for their principals is reimbursable provided the offer from foreign suppliers are received in his office as per instructions mentioned hereinbefore.

ANNOUNCEMENTS

INTERNATIONAL CAPITAL MARKETS

World Bank to raise $200m

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT, IN LONDON

THE World Bank is raising $200m through a ten-year 12 per cent Eurobond priced at par by lead managers Deutsche Bank and Credit Suisse First Boston.

The issue, which was launched late on Tuesday night, met a positive reception in the market yesterday with investors attracted by what is seen as a generous coupon for current market conditions. Yesterday afternoon Deutsche Bank was quoting the paper at a discount slightly more than 1 per cent.

Placement of the paper may well have been further helped by a stronger tone in the secondary market that prevailed through much of yesterday; but news late in the European afternoon that the Federal Reserve had acted to drain reserves from the U.S. money market left Eurobonds on a weaker and uncertain closing note.

Elektrowatt's popular $51m convertible issue was yesterday awarded a 5 per cent coupon and a 2.97 per cent conversion premium. The coupon is at the lower end of the range originally indicated by lead managers Credit Suisse First Boston.

Yesterday's other new issue in the dollar sector was a $50m floating rate note for the consortium bank Banque Arabe et International d'Investissement. The eight-year paper bears an interest margin of ¼ per cent over six-month Libor with issue price par. Lead managers are Banque Nationale de Paris, Samuel Montagu, Kuwait Investment Company and National Commercial Bank of Saudi Arabia.

Dealers say the name is not particularly easy to sell, but the bonds have been sweetened with a put option at par after four years. Holders who do not redeem their bonds will receive an extra ½ per cent.

D-Mark foreign bonds were slightly firmer amid market relief that the Bundesbank did not tighten monetary policy. Lonrho is raising DM 75m over seven years through a 9 per cent issue at par led by BHF-Bank. Despite its high coupon for this market the paper traded at a discount of about 1¼ per cent in early deals.

WEEKLY U.S. BOND YIELDS (%)

	Aug 24	Aug 17	1983 High	1983 Low
Composite Corp. AAA	11.89	12.00	12.59	10.62
Composite Corp. AA	12.07	12.17	12.83	10.78
Government:				
Long-term	11.40	11.43	11.99	10.18
Intermediate	11.30	11.41	12.03	9.83
Short-term	11.78	10.75	11.26	9.21
Municipal	n/a	n/a	9.86	8.72
Industrials AAA	11.84	11.84	12.38	10.51
Industrials AA	11.88	12.06	12.62	10.72
Utilities AAA	12.15	12.18	12.81	10.73
Utilities AA	12.27	12.29	13.05	10.85
Preferred Stocks	11.09	10.93	11.41	10.59

Source: Standard & Poor's

First issue for Banco Exterior

BY DAVID WHITE IN MADRID

BANCO Exterior de Espana, the only Spanish bank under mixed state and private ownership, is to make its first ever issue of convertible bonds next month to raise Pta 1.8bn ($12m).

The Pta 1,000 bonds, which are to be issued from September 16 at 99 per cent of par, will be reimbursable after three years at 140 per cent, with an option to convert into shares of the bank at below the market share price.

Current shareholders of the bank are to have priority during the first eight days of subscriptions. The bank's Pta 14.1bn equity capital is currently 68 per cent in state hands, including a direct majority stake by the Government and smaller holdings by the Instituto Nacional de Industria (INI) and the Bank of Spain.

Last year Banco Exterior produced net profits of just over Pta 4bn, 10 per cent up on the previous year.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices which is published monthly. The following are closing prices for August 25.

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Amex O/S Fin 10¼ 90	100	92⅞	93⅜	0	+0⅝	11.77
Bank of America 8 88 XW	150†	85⅛	85⅝	0	+0⅞	12.35
Bank of Tokyo Hold 11 90	100	94¼	94¾	+0⅛	+0¼	12.23
British Col Hyd 10¼ 88	200	96⅝	97⅛	+0⅛	−0½	11.12
C.C.C.E. 11¾ 87	100	93⅞	94⅜	−0⅝	−1	12.63
C.I.B.C. 11 90	75	91¾	92½	−0¼	−0⅜	12.79
Citicorp O/S 10⅞ 90	100	91⅛	91⅝	0	+1	12.31
Coca Cola Int 9⅞ 92	100	91¼	91¾	+2⅛	+1⅝	11.44
Cred Suisse BAH 10½ 90	150	95⅛	95⅝	−0⅛	−0½	11.51
Credit Suisse 10½ 89	100	95⅛	95⅝	0	−0¼	11.54
Den Norsk Cred 11¼ 93	50	92¾	93¼	+0⅛	+0⅛	12.51
Du Pont 11¼ 95	150	98	98½	+0⅛	+0¼	11.51
E.C.S.C. 11⅞ 90	75	98¾	99¼	0	0	12.09
E.D.C. 10¾ 88	100	97½	98	0	−0⅛	11.39
E.D.C. 11¾ 87	100	99⅝	100⅛	+0⅛	0	11.76
E.D.F. 11⅛ 93	100	91⅝	92⅛	+0⅛	+0⅞	12.50
E.E.C. 10¾ 95	75	89¼	89¾	−0⅝	−1	12.49
E.E.C. 11 87	350	97¼	97¾	−0⅛	−0¾	11.78
E.I.B. 10¾ 93	200	91¾	92¼	0	+0⅛	12.18
E.I.B. 11 91	125	94¼	94¾	0	+0⅛	12.12
Electrolux 10½ 90	50	91⅞	92⅜	−0⅛	−0¾	12.25
Enserch Fin 11⅝ 93	100	92⅞	93⅜	+0¼	−0¼	12.88
Fuji Int Fin 10⅞ 90	100	91¾	92¼	+0⅜	0	12.88
Gen Elec Credit 9¾ 91	100	90	90½	+0⅜	+1⅛	11.70
GMAC O/S Fin 10½ 90	200	95¼	95¾	+0⅜	+0½	11.50
Honeywell Int 10¾ 90	100	96½	97	+0⅛	0	11.45
Indust Bk Japan 10⅞ 88	100	96½	97	+0⅝	+0⅝	11.78
Japan Air Lines 10⅞ 98	42	90	90½	+0⅛	+0⅛	12.32
Japan Air Lines 11 93	75	94¼	94¾	+0¼	+0¾	11.87
J. P. Morgan 11⅜ 90 XW	150	97¾	98¼	+0⅜	+0½	11.81
Levi Strauss Int 11 90	75	94⅞	95⅜	+0⅛	+0⅛	12.07
L.T.C.B. 10¾ 90	100	91¾	92¼	+0¼	+0⅜	12.55
Merrill Lynch 10⅝ 90	200	93	93½	+0¼	+0⅛	12.13
Midland Int Fin 11½ 92	150	95⅞	96⅜	+0⅛	−0⅛	12.20
Mitsubishi Corp 10½ 90	100	92½	93	+0½	+0¼	12.11
Mitsubishi Fin 11⅜ 90	100	95¼	95¾	+0⅛	+0⅜	12.37
Nippon Credit 11 90	100	92⅛	92⅝	+0⅛	−0¼	12.73
Nippon Credit 11⅛ 93	100	92½	93	−0¼	−0½	12.57
O.K.B. 10 91	100	88⅞	89⅜	+0⅛	0	12.13
Ontario Hydro 10¼ 90	250	92¾	93¼	0	−0⅛	11.79
Ontario Hydro 11¼ 89	200	99⅜	99⅞	−0⅛	+0½	11.39
Ontario Hydro 12¾ 92	200	103⅝	104⅛	0	+0½	12.01
Prudential O/S 10⅝ 93	100	95	95½	+0¼	+1⅛	11.44
Prudential O/S 12¾ 87	150	104⅞	105⅜	+0⅛	+0⅝	11.11
Quebec Hydro 11½ 92 D	100	98¾	99¼	0	−0¼	11.66
Saskatchewan Pr 10¾ 90	125	94¾	95¼	+0⅛	+0⅛	11.86
S.N.C.F. 11½ 93	100	95½	96	−0⅛	−0⅝	12.25
Sth Cal Edison 10½ 90	75	94¼	94¾	+0⅛	−0⅛	11.78
Sumitomo Fin 10⅞ 90	100	91⅞	92⅜	+0⅜	+0⅛	12.65
Swiss Bk Corp 10¼ 90	125	95½	96	−0⅛	0	11.19
Texaco Capital 9¾ 90	150	92½	93	−0⅛	−0½	11.35
U.B.S. 10 88	100	96¾	97¼	0	−0¼	10.82
U.B.S. 11 89	150	101⅛	101⅝	+0⅝	−0⅛	10.66
Westpac Int Fin 11 90	100†	91½	92¼	+0½	+0⅛	12.85
World Bank 10⅝ 88	150	95⅝	96⅛	0	0	11.54
World Bank 10⅞ 93	100	93⅛	93⅝	−0⅛	+0¼	12.03
World Bank 11⅛ 88	100	95¾	96¼	+0⅛	+1⅛	11.69

Av. price changes: on day +⅛, on week +½

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Air Canada 7⅜ 93	100	98½	98¾	0	+0⅝	7.58
A.N.A.S. 8¼ 88	100	99½	100	+0⅛	−0⅛	8.39
Austria, Rep 7¾ 89	100	98⅝	99⅛	−0⅛	−0⅛	7.88
Austria, Rep 8 93	100	100	100½	+0⅛	−0⅛	7.96
Avco Int Fin 7½ 93	100	97⅞	98⅜	+0⅛	−0⅛	7.78
B.F.C.E. 8¼ 90	150	99⅝	100⅛	0	0	8.22
Comp Tel Nac Esp 8¼ 93	100	94⅛	95⅛	0	−0¼	9.34
Deutsche Bank 3¾ 91 WW	240	105½	107¾	−0½	−2	2.78
Deutsche Bank 3¾ 91 XW	240	88⅛	88⅞	+0⅛	+0¼	7.11
Dresdner Finance 4 90 WW	250	107⅜	108⅝	+0¼	−0⅞	2.78
Dresdner Finance 4 90 XW	250	81⅝	82½	+0⅛	+0½	7.42
E.C.S.C. 8 90	160	99½	100	+0⅛	+0⅛	8.05
E.E.C. 8⅛ 93	250	100½	101	+0⅛	−0⅛	8.13
Eurofima 7½ 90	100	98¼	98¾	+0⅛	+0⅛	7.78
Finland Rep 7½ 88	150	98⅝	99⅛	0	−0⅛	7.78
Int-Am Dev Bk 7¾ 93	200	94½	95	−0⅛	−0⅛	8.58
Int Standard Ele 7¾ 93	100	98¼	98¾	+0¼	+0⅛	7.97
Japan Dev Bank 7½ 90	100	98⅝	99⅛	−0⅛	−0⅛	7.71
Kobe City 7 93	120	94¾	95¼	0	+0¼	7.74
L.T.C.B. 8 90	100	98½	99	−0⅛	−0⅛	8.24
Renault Acceptance 8 90	150	97⅛	97⅝	+0½	+0⅞	8.48
S.D.F. France 7⅞ 93	100	96¼	96¾	+0¼	+0⅛	8.41
Sth African Tran 8¼ 90	100	99¼	99¾	+0⅛	+0½	8.34
Volkswagen Int 7⅛ 93	200	95½	96	0	−0⅛	7.89
World Bank 7½ 90	250	96¾	97¼	0	0	8.08
World Bank 7½ 93	300	95⅛	95⅝	0	−0⅛	8.04

Av. price changes: on day +⅛, on week −⅛

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
AKZO 5⅝ 93	100†	98¼	98½	0	+0⅛	5.84
Bergen, City of 5¾ 95	40†	99½	99⅞	+0⅛	+0¼	5.79
BTR Finance 5⅝ 93	75†	98	98½	+0⅛	+0⅞	5.86
Carls-Tetley Brw 5¾ 93	80†	101	101½	−0⅛	[illegible]	5.59
Chujitsuya Co 5⅝ 93	50†	97	97½	+0¼	+0½	6.23
Denmark 6⅝ 91	100†	102	102½	0	+0¼	6.02
E.D.C. 5⅝ 91	100†	98	98½	0	−0¼	5.86
E.I.B. 5¾ 93	100†	100¾	101	+2⅛	+2⅝	5.63
Ex-Im Bk Japan 5⅝ 91	100†	99	99½	−0⅛	−0⅛	5.83
Ind Fund Finland 6¼ 91	40†	100	100½	0	−0¼	6.23
Int-Am Dev Bk 6⅛ 93	100†	101	101½	0	0	5.97
Japan Dev Bank 5½ 93	100†	98½	98¾	0	0	5.68
Kansai Elec Power 6 91	100†	101¾	102	−0⅛	−0½	5.69
Kawasaki Steel 6⅛ 91	100†	101½	101¾	−0⅜	−0½	5.86
Montreal Urban 5¾ 93	100†	99¾	100	−0¼	+0¼	5.76
Mount Isa Finance 6 93	100†	102	102¼	−0½	−0½	5.71
Nisshin Steel 6¼ 91	100†	99½	99¾	−0⅛	−0½	6.31
Norsk Hydro 5½ 98	100†	96½	96¾	−0⅜	−0¼	5.85
Osterr Draukraft 6 93	100†	102¼	102½	0	−0⅜	5.68
Osterr Post 6⅛ 91	100†	103	103¼	+0½	0	5.62
Quebec Hydro 5½ 93	100†	100¾	101	0	−0¼	5.38
Sekisui House 6 93	100†	100¾	101	−0¾	−0¾	5.87
Sumitomo Metal Ind 6 91	100†	101	101¼	0	0	5.81
Tohoku Elec Power 6 93	100†	100½	100¾	−0⅛	0	5.91
Trizec Corp 6¼ 91	100†	102¾	103	−0¼	−0½	5.77
World Bank 5⅝ 93	100†	97	97¼	−0⅜	−0⅜	6.02

Av. price changes: on day 0, on week 0

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 8⅝ 92	15	103¾	104⅛	−0⅛	−0¼	7.98
E.I.B. 8¼ 92	15	101⅞	102⅜	0	+0⅛	7.96
Japan Airlines 7⅞ 87	9†	101¾	102¼	−0⅜	−0⅜	[illegible]
New Zealand 7⅝ 89	15	101¼	102	−0½	+0⅛	[illegible]
World Bank 8⅛ 92	20	102⅝	103⅛	−0⅜	−0½	[illegible]

Av. price changes: on day −⅛, on week [illegible]

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
British Col 11¾ 93 CS	25†	94	94½	0	[illegible]	[illegible]
Can Pac Secs 11⅞ 90 CS	75†	98⅛	98⅝	0	−0⅛	[illegible]
Charb France 11⅞ 95 CS	40†	93¾	94¼	0	0	[illegible]
Montreal 12⅛ 91 CS	50†	99½	100	0	0	[illegible]
Norcen 12¾ 93 CS	60†	94¼	94¾	0	+0⅜	[illegible]
Quebec Province 12 93 CS	50†	98½	99	−0⅛	+0⅛	[illegible]
Xerox Canada 12 88 CS	40†	98⅛	98⅝	+0⅝	+0½	[illegible]
Credit Nat 12⅛ 93 ECU	50	103⅝	104⅛	+0⅛	+0⅛	[illegible]
Forsmarks 11½ 98 ECU	40	102½	103½	+0⅛	+0⅜	[illegible]
Consol Foods 7¼ 88 Fl	100	94⅝	95⅛	+0⅛	0	[illegible]
Elect Supply 8¼ 88 Fl	75	95⅞	96⅜	+0⅛	0	[illegible]
Nederland Gas 7½ 88 Fl	100	97⅛	98⅛	−0⅛	−0⅜	[illegible]
Philips Lamps 7⅛ 88 Fl	100	97	97½	+0⅛	−0⅛	[illegible]
Swed Exp Cred 7¾ 88 Fl	100	94⅞	95⅜	−0⅛	−0¼	[illegible]
World Bank 7 88 Fl	150	94¼	94¾	+0¼	+0¼	[illegible]
O.K.B. 14 86 FF	400	100⅛	101⅛	0	0	[illegible]
Solvay & Cie 14¾ 86 FF	200	101¼	102¼	0	+0⅜	[illegible]
B.F.C.E. 11½ 88 £	50	96⅞	97⅜	+0⅛	0	[illegible]
British Oxyg 11¾ 91 £	50	99⅞	100⅜	0	+0½	[illegible]
CEPME 11¼ 95 £	30	97¾	98¼	0	−0⅛	[illegible]
E.E.C. 11⅞ 91 £	50	100½	101¼	+0⅛	+0¼	[illegible]
Fin For Ind 10½ 90 £	30	95⅛	95⅞	0	−0⅛	[illegible]
Fin For Ind 12⅛ 88 £	30	103¼	104¼	+0⅛	0	[illegible]
Fin Mat Ocean 12⅝ 92 £	30	101⅝	102⅝	+0⅛	−0⅞	[illegible]
Gen Elec Co 12½ 89 £	50	103⅛	104⅛	0	+0⅛	[illegible]
Mort Bk Fin 11¾ 89 £	15	96⅛	97⅛	0	−0⅛	[illegible]
Norsk Hydro 12 90 £	30	101¼	102	+0⅛	+0⅛	[illegible]
Quebec 14½ 89 £	30	108¼	109¼	−0⅛	+0¼	[illegible]
S.N.C.F. 11½ 89 £	30	96¼	97¼	+0⅛	+0¼	[illegible]
B.F.C.E. 11½ 88 £	50	93⅞	94⅛	+0⅛	+0¼	[illegible]
Swed Exp Cred 11¼ 88 £	30	96⅜	97⅜	0	+0⅛	[illegible]
World Bank 11⅛ 88 £	100	96⅝	97⅝	−0⅛	−0¼	[illegible]
World Bank 11⅜ 91 £	75	99⅛	99⅝	0	−0¼	[illegible]
Euratom 11 93 LuxFr	500	104⅝	105⅝	0	+0⅛	[illegible]
Europarat 10¾ 93 LuxFr	600	102½	103½	0	−0⅛	[illegible]

FLOATING RATE NOTES	Spread	Bid	Offer	C.date	C.cpn	C.yld
B.F.C.E. 5¼ 87	0⅛	99⅜	99⅝	27/1	10⅝	[illegible]
B.F.C.E. 5¼ 88	0¼	99⅛	99⅝	20/1	10.19	[illegible]
Caisse Nat Tele 5¼ 90	0¼	99	99¼	21/10	9.56	[illegible]
C.C.F. 5¼ 95	0⅛	99	99½	7/10	10.19	[illegible]
C.C.F. 5¼ 88	0¼	99¾	100	24/9	9.94	[illegible]
Cepme 5¼ 88 WW	0¼	99⅜	99⅞	3/9	10	[illegible]
Cepme 5¼ 92	0¼	99⅜	99⅞	16/12	10½	[illegible]
Chemical NY 5¼ 94 ††	0⅛	100⅛	100⅝	23/9	10.62	[illegible]
C.N.C.A. 5¼ 95 XW	0¼	98¾	99	7/12	10	[illegible]
C.N.T. 5¼ 91	0¼	99⅜	99⅞	8/11	9¼	[illegible]
Credit Agricole 5¼ 97	0¼	99½	99¾	24/9	10	[illegible]
Credit Lyonnais 5¼ 94	0¼	98⅞	99⅛	5/1	10.31	[illegible]
Credit Lyonnais 5¼ 97	0¼	98¾	99	1/10	10.06	[illegible]
Credit Nat 5¼ 94	0¼	98½	99⅛	9/9	9¼	[illegible]
E.D.F. 5¼ 95 XW	0¼	99⅝	99⅞	10/2	11⅜	[illegible]
E.E.C. 5 90	0⅛	99⅝	99⅞	5/1	10.19	[illegible]
Kentallis Osaka 5½ 92	0⅛	99¾	100	6/11	9⅞	[illegible]
Long Term Cred 5¼ 92	0⅛	99⅞	100⅛	27/11	9¾	[illegible]
J.P. Morgan 5¼ 97 S	0⅛	100½	100¾	12/11	10.81	[illegible]
New Zealand 5¼ 87	0⅛	100	100¼	7/10	10.06	[illegible]
NZ Steel Dev 5¼ 92	0¼	99⅞	100⅛	22/12	10¼	[illegible]
Nippon Credit 5¼ 90	0⅛	100⅛	100½	10/2	11⅛	[illegible]
Soc Generale 5⅛ 90 XW	0¼	98⅝	99	9/11	9⅛	[illegible]
Société Générale 5¼ 95	0¼	95⅛	99⅝	1/9	9½	[illegible]
Sweden 5¼ 89	0⅛	99¾	100	26/8	9⅝	[illegible]
Sweden 5¼ 93	0¼	100	100¼	3/2	11.19	[illegible]

Av. price changes: on day 0, on week +⅛

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
Bridgestone Tire 5½ 96	3/82	470	108¾	110¼	−0¼	[illegible]
Canon 7 97	7/82	748.2	236	238¼	+2⅝	[illegible]
Daiwa Sec Co 5½ 98	10/83	508	97⅛	98⅞	−0½	[illegible]
Hitachi Cable 5¼ 98	2/82	515	112⅞	114⅞	−3¼	1.3
Honda Motor 5¼ 98	6/83	884	98½	99½	−0¼	[illegible]
Honda Motor 5½ 97	3/82	769.6	112⅛	113⅝	+0⅛	1.4
Kumagai Gumi 6½ 97	10/82	408	115⅛	116⅝	−1	[illegible]
Kyowa Hakko 6¼ 97	2/83	762	119⅝	121⅛	+1⅝	15.1
Minebea Co Ltd 5½ 98	5/83	667	127⅞	128⅞	+0½	[illegible]
Mitsubishi Electric 5¼ 98	6/83	396	110¾	111¾	+0¾	6.9
Nippon Electric 5⅛ 97	2/82	765.9	189⅞	191⅞	−0⅝	4.2
Nippon Oil Co 5½ 98	4/83	964	101⅜	102⅜	+0½	8.7
Nissan Motor 5¾ 98	4/83	770	89	90	+0¼	[illegible]
Olympus Optical 6¾ 97	12/82	1331	99⅞	100⅞	+0¼	15.8
Orient Finance 5¼ 97	3/82	927.2	93½	95	−0⅝	11.2
Orient Leasing 5¼ 98	6/83	2688	94	95	+0¼	[illegible]
Secom 5 98	11/83	2920	123½	125	−0½	−1.5
Sumitomo Electric 5½ 97	3/82	577.3	113⅝	114⅞	−0½	4.6
Sumitomo Metal 5¼ 96	10/81	296.1	66⅞	68⅜	−0⅞	[illegible]
Yamaichi Sec Co 5 98	8/83	472	93⅛	94⅝	+0¼	−0.5
NEC Corp 3½ 93 SF†	8/83	878	154	156	−0⅞	−1.9
Sanyo Electric 3½ 93 SF†	5/83	501	107	109	−0¾	18.1
Konishiroku 8¾ 88 DM	6/82	616	114⅛	115⅛	0	3.8
Mitsubishi Heavy 8 88 DM	2/82	263	103⅞	104⅞	+0½	18.5
Star Realty 6¼ 92 DM	2/83	385	117⅝	118⅝	−0½	−4.2

* No information available—previous day's price.
† Only one market maker supplied a price.

Straight Bonds: The yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week = Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C. date = Date next coupon becomes effective. Spread = Margin above six-month offered rate (†† three month; § above mean rate) for U.S. dollars. C.cpn = current coupon. Cu. yld = current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day = Change on day. Cnv. date = First date for conversion into shares. Cnv. price = Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem = Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.